THE ASIA-EUROPE MEETING

Engagement, Enlargement and Expectations

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Konrad Adenauer Stiftung

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PREFACE

The **Asia-Europe Meeting (ASEM)** is a forum for dialogue and cooperation between Europe and Asia. It was established in 1996 with an inaugural leaders' summit in Bangkok and has since developed into a main multilateral channel for communication, with regular meetings between senior officials and ministers from different ministries, and a biennial summit involving heads of states and heads of governments. Membership of ASEM has grown from 26 to 48 members with Russia, Australia and New Zealand looking set to join in 2010 at the 8th ASEM Summit to be held in Brussels on 4-5 October.

With this latest enlargement of ASEM, and with members including major emerging powers such as China, India and Russia, expectations about what ASEM could and should achieve inevitably differ. The engagement within and among such a diverse group of nation-states and regional groupings (EU and ASEAN), and also other actors such as the business community and civil society also means that there is a need to rethink the working methods and the coordination process in order to preserve and further enhance the ASEM forum.

It was with this in mind that the EU Centre in Singapore together with the Konrad-Adenauer-Stiftung (KAS) jointly organised a Roundtable on 6th August 2010 and commissioned papers to look into the motivations and expectations of the new members in joining the ASEM process and how some existing ASEM members in turn view the changing dynamics that enlargement would bring to ASEM.

This book is a collection of the papers presented at the Roundtable. The conclusion provides a summary of the key points that surfaced during the discussion not only on the enlargement issue but also more broadly on the function and future of ASEM.

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August 2010

The Asia-Europe Meeting (ASEM) - Engagement, Enlargement and Expectations

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An Overview of the Genesis and Development of ASEM

The Asia-Europe Meeting (ASEM) was conceived in Singapore as an informal meeting between Asian and European leaders to enable the EU to engage dynamic Asian economies in a wide-ranging dialogue. The original objectives were hence very modest – to build and strengthen linkages between an otherwise perceived weak ties between Asia and Europe. ASEM was not conceived as a platform for negotiations or an institution for problem-solving. It was to be a forum for dialogue to promote better understanding and to engender cooperation in various fields in other bilateral and multilateral forums. Hence its structure is kept deliberately simple with very few institutions, and after more than a decade, it remains an essentially inter-governmental forum with an all encompassing agenda. After each summit or ministerial meeting it produces political statements and declarations and not binding agreements.

However, summit meetings inevitably attract attention, and coupled with ambitious rhetoric and umpteen meetings and initiatives, it was no surprise that scholars began to take notice of the ASEM process, and expectations were raised as to what ASEM could deliver. This is especially so in an increasingly crowded world of summits.

The world has seen a proliferation of summit meetings and various regional and inter-regional meetings since the 1990s. It is perhaps a reflection of the increasing interdependence and complexities of issues facing all of us but perhaps more so, a

result of the globalisation and the revolution in ICT that has brought down tremendously the cost of transportation and communication. The CNN effect has also increased the appeal of leaders meeting and summits – leaders need and have to be seen to be doing something all the time – showing leadership and solidarity in times of crisis and displaying strategic and long-term thinking in times of peace and stability.

The Asia-Europe Meeting (ASEM) which began with a summit meeting of leaders from the 15 EU member states, President of the European Commission, heads of states and governments from ASEAN member states, China, Japan and South Korea was imbued with political symbolism and strategic undertones. The strategic reason behind ASEM was the concept of closing the triangle – balancing the relations and creating strong links among the three engines of economic growth in the world – North America, Europe and East Asia (Yeo, 2006:141).

The inaugural summit held in Bangkok in 1996 was hence launched with much fanfare and euphoria with the media hailing it as the symbolic start to the new found partnership between Asia and Europe based on equality, mutual interests and benefits. The political symbolism of this summit was important. ASEM was a symbol of Asia's new status in the world scene, and a demonstration of Europe's recognition of this status (Yeo, 1997:36).

Since its launch in 1996, ASEM has developed from a summit meeting into a process of regular meetings involving ministers, officials and experts from various ministries and government agencies. In addition to these political meetings, there are a series of expert-led or technical working groups that meet to discuss more specific issues related to trade facilitation, investment promotion, and a whole myriad of issues from cultural and heritage preservation, traditional medicine to ICT and e-commerce.

Yet, the biennial summit remains the centre piece of ASEM. The leaders meeting, which in itself is the culmination of working meetings of senior officials and ministers, is the most obvious manifestation of ASEM to the outside world. The preparations leading up to the summits provide the driving force and focus for the whole ASEM dialogue process (Yeo, 2003:71-72).

Seven ASEM summit meetings, and close to 40 meetings involving ministers from the different ministries – from the foreign ministry to economic and finance ministries to education, science and technology, culture, labour and environment ministries had been held so far. The next ASEM Summit (the 8th summit) is scheduled in October 2010 in Brussels.

ASEM – Engagement, Enlargement and Expectations

With increasing importance of the Asian region (a trend that was already widely appreciated in the 1990s, and even more pronounced in the 21st Century), the continued high level engagement between Asia and Europe is to be expected. Thus, it is likely that the ASEM summit will remain central to the whole ASEM process. The issue that will however become more salient in the coming years will be what is achieved after each summit? As Asia rises, and as the EU expands and increasingly asserts a global role, more and more will be expected of the ASEM summits. This is especially with the latest enlargement which would see ASEM comprising almost all major emerging economies – Russia, India and China, and middle powers such as Australia.

It is perhaps no longer sufficient that the leaders meet to reaffirm their importance to each other. This was ten years ago when the assumption was the lack of engagement between Asia and Europe and hence the need to create awareness and generate understanding to engender closer cooperation between the two. Now ties have flourished with many other bilateral summits

such as EU-China / EU-India and the longstanding EU-ASEAN inter-regional dialogues has also been revitalised despite ongoing difficulties and differences over Myanmar.

As engagement between Europe and Asia increase, more and more questions would be asked about the role and added-value of ASEM in an increasing plethora of meetings, summits and dialogues. With increasing challenges facing us at global and regional levels, expectations will also be raised as to how ASEM could contribute to the regional and global governance.

The enlargement in 2010 to include Australia, New Zealand and Russia provides a little reprieve to the pressing question of the added-value of ASEM as attention turns to the question of the underlying motivations as well as expectations of the new member states. Some would even argue that the fact that ASEM continues to attract new members as evidenced by its increasing membership is a sign that the ASEM remains a useful dialogue process.

The first article by Tom Roe, essentially offers a perspective from someone very much involved in the official coordination of the ASEM process. Roe argues that the flexible and informal nature of ASEM has been useful in facilitating dialogue between Asia and Europe. He believes that ASEM is progressing fine as evidenced by the increasing membership and the wide-ranging topics discussed at the increasing number of ASEM official meetings, and expresses the commitment of the European Commission to move ASEM from dialogue to partnership. At the same time, he reminds that ASEM must always be viewed in the context of the "overall growth and intensification of the EU's relationships with its various Asian partners since 1996".

However, Roe also acknowledges in his article some of the challenges that ASEM needs to address – the enlargement and coordination of the whole process, and dealing with new stereotypes of a rising Asia and perceived decline of Europe. He ends his article with a positive note that the flexibility that

ASEM offers is necessary in a rapidly changing world where nation-states are struggling to find adequate responses to various emerging challenges.

In the next article, Howard Loewen focuses on the "three" stages of ASEM enlargement, and tries to explain the underlying rationale behind each enlargement. He comes to the conclusion that while the first enlargement was inevitable, resulting from the respective enlargement of the European Union (EU) and the Association of Southeast Asian Nations (ASEAN), the two key drivers in the initial run up of the ASEM summit, the latest round of enlargement is a reflection of the diverging interests and inability of the ASEM members to agree on concrete criteria and procedures for enlargement. Loewen concludes in his article with three possible scenarios of what may happen to the ASEM process with the current and subsequent enlargements.

Pan Guang provides a Chinese perspective on the development of ASEM and its enlargement. His central thesis is that the enlargement to include Russia and Australia will shape and bring in new priorities to the ASEM agenda, but the fundamental principles and design of ASEM would not change. ASEM will also continue to be an important forum in the midst of all the other regional and trans-regional architectures because of the competition and the balancing agenda among China, EU and US. In the last section of his paper, he opines that with the enlargement of ASEM, it is even more important that the informality and dialogue nature of the ASEM process be emphasized. At the same time, there is need to create some sort of linkages between the various bilateral cooperation that the EU conducts with ASEAN and other individual Asian countries to the ASEM process.

The article by Philomena Murray begins with Australia's foreign policy objectives in general, and then elaborates on the general state of Australia-European Union and Australia-Asia relations. It then gives a detailed description of Australia's interest in the ASEM process, beginning with reasons such as Australia's

commitments to multilateralism and active engagement in various regional and trans-regional dialogue. Murray also touches on what Australia will bring to the ASEM dialogue, and how the dynamics of the ASEM process may change with Australia's activist middle-power diplomacy coming into play. She concludes that Australia with its unique relationship with the EU and at the same time its active participation in many of the Asia-Pacific regional architecture will be a constructive player in the ASEM process.

Fyodor Lukyanov's article on "Russia in ASEM" first gives a broad overview of Russian foreign policy and then elaborates on Russia's participation in various Asia-Pacific institutions before spelling out what he sees as Russian interest in and potential contribution to the ASEM process.

Lukyanov believes that 2010 marks the turning point for Russian foreign policy in the 20 years after the break-up of the Soviet Union. Russia has moved away from seeking integration into Western institutions to asserting a more independent policy approach and restoring its influence as a key world power. In seeking this recognition, Russia is trying to strike a balance in its relations with the East (Asia) and the West and come to terms with its realisation that Asia is no longer "backward" but a dynamic region of highly developed economies and technologies with highly educated peoples. Faced with the challenges coming both from Asia and Europe, Russia attention on ASEM comes at a time when "Russia is rethinking ways with which it intends to succeed in the 21st century world". He concludes that Russia's accession to ASEM is not only an important landmark for Russia's development, but Russia involvement will add a new dimension to the ASEM dialogue process.

Conclusion

ASEM is one of the multilateral forums that bring EU and Asia together. However, although ASEM has generated many meetings and initiatives, and even established a concrete institution, the Asia-Europe Foundation (ASEF) to encourage more exchanges and interactions between the peoples of Asia and Europe, the reality is that ASEM remains essentially an informal, inter-governmental forum without any mechanisms and institutions capable of actual problems-solving. The enlargement of ASEM to include Australia and Russia will add to the diversity which if properly harnessed can still yield productive dialogue among the 48 partners.

Europe and Asia relations will also continue to grow with or without ASEM simply because of the rising significance of Asian powers such as China and India. The world is becoming more pluralistic and complex and the West no longer is the undisputed centre of the world. For peace and stability, Europe and Asia need to engage with each other more not necessarily with ASEM as the key engine, but rather through an ad hoc, multi-layered and multi-pronged approach in which ASEM is just one of the many. ASEM is here to stay. As Brian Bridges puts it, “it is clear that ASEM is going to remain a regular item on the international circuit even if the substance is still taking some time to be worked out” (Bridges, 1999:187-188).

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TOWARDS THE 8TH ASIA-EUROPE MEETING (ASEM) SUMMIT AND BEYOND: ASIA-EUROPE COOPERATION IN THE 21ST CENTURY [1]

Tom Roe, ASEM Counsellor and Asia Adviser, European Commission

Introduction

Asia and Europe face common global challenges and opportunities and we are learning from each other on how to address these issues through the Asia-Europe Meeting (ASEM) dialogue process. Since 1996, ASEM has provided the principal multilateral platform for a sustained region-to-region dialogue between the governments as well as the peoples of Asia and Europe so that we can better understand and address the global issues and policy challenges that we all face.

ASEM already has 45 members (EU 27, the European Commission, ASEAN 10, ASEAN Secretariat, China, India, Japan, Mongolia, Pakistan and South Korea), and three more, Australia, New Zealand and Russia, will formally join the ASEM 8 Summit in Brussels in October, bringing the number of members to 48. Other countries have also enquired about entering ASEM. ASEM Foreign Ministers in Hanoi last year mandated ASEM Senior Officials to explore and propose criteria and modus operandi for future enlargements of ASEM, and a report can be expected by the middle of 2011.

ASEM is healthy as evidenced by the increasing membership and number of sectors covered by the dialogues within ASEM. ASEM now addresses virtually every aspect of public policy. For example, during just the six months leading to the ASEM

8 summit, ASEM members have been – or will be – meeting to discuss employment regulations, labour policy, interfaith dialogue, financial reforms, forest management, anti-piracy, anti-terrorism, SMES and green growth, sustainable development, food security, and a plethora of issues. All these issues are clustered within the three pillars of ASEM.

The Three Pillars of ASEM

ASEM comprises three pillars. The political pillar comprising of summit meetings amongst the heads of state and governments, foreign ministers and senior officials meeting as well as other experts' workshops or seminars on various political topics. The openness and flexibility of the ASEM agenda is also enhanced by the bilateral meetings and discussions between Asians and Europeans which occur at the margins of plenary ASEM meetings. The very breadth, openness and evolutionary nature of ASEM also mean that new topics can quickly come into the agenda. The diversity, flexibility and informality of the dialogue allow sometimes delicate issues to be discussed – which might not be broached in a more formal, bilateral setting.

The importance of the discussions under the economic pillar is evident by the breadth of issues and initiatives taken up by economics and financial ministers, senior officials and experts. The business community is also very much engaged through the Asia-Europe Business Forum (ABEF).

Due to the pressures of the global financial crisis, macro-economic policy issues, financial reforms and regulations have been the key subjects of discussion. For example, the 7th ASEM Summit in Beijing in 2008 provided a timely and useful platform for Asian and European leaders to discuss their rapid reaction to the financial crisis and to prepare the G20 summit occurring in Washington shortly after. This indirectly served to widen and deepen the involvement of the major Asian economies in global macro-economic and regulatory policy making.

ASEM Finance Ministers met in Madrid in April 2010 and discussed further the subject on reform of the international financial and regulatory architecture. The issues related to international financial reforms would remain a key topic for future discussions including at the ASEM 8 summit.

The socio-cultural pillar of ASEM has seen increasing meetings among Asian and European ministers of different portfolios such as education and environment. More importantly, the work of Asia-Europe Foundation (ASEF), a concrete institution established in 1997 alongside ASEM and funded by contributions from various ASEM members, has contributed significantly to dialogue and cooperation under this pillar. ASEF has also been key to ASEM's outreach to civil society, academia and the broader public.

Moving ASEM from Dialogue towards Partnership – a European Commission's perspective

The European Commission is fully committed to reinforcing, deepening and widening the ASEM process, and would work towards upgrading ASEM "from dialogue towards a partnership mode".

To enable this, the Commission would continue its full commitment as the only permanent coordinator of the ASEM dialogue process. There would be continued financial support to ASEM under the current financial perspective running till end of 2013. Commission would also maintain the one million euro grant per year each to the ASEM Dialogue Facility Funds and to the Asia-Europe Foundation.

The Commission is also appraising a fourth phase major grant of 8 million euros for the Trans-EurAsia Information Network (TEIN). TEIN is an information highway funded by ASEM members amounting to 70 million euros that facilitates academic and research information exchange via the internet. TEIN also

provides administrative and technical support to academics and researchers for "learning together mutually". Already some 60 million researchers and academics in both Asia and Europe have in one way or another used TEIN for their information, education and research.

In moving from dialogue to partnerships, one should not underestimate the huge growth of people-to-people contacts, Asia-Europe links and cooperation between think tanks and research and academic centres as a result of various other EU initiatives. These include the European Union Centres' initiative, the Erasmus Mundus programme and the various Jean Monnet programmes. The increasing trend for twinning between educational institutions is something that Asia and Europe could emphasize and support, as these create long-standing and sustainable partnership.

ASEM and Asia-Europe Cooperation in the 21st Century

ASEM is a continent-to-continent wide diplomacy dialogue which complements and enhances other bilateral Asia-Europe ties and contributes to better understanding of each other's position in other multilateral forums. ASEM therefore must be placed within the context of the overall growth and intensification of the European Union's relationships with its various Asian partners since 1996.

Relations between Europe and Asia have flourished

Although Europe and Asia could always do more, the truth is that bilateral relations between Europe and Asia have flourished since 1996. Europe's political engagement with the Asian region has developed enormously both at EU level and bilaterally through the efforts of various EU member states. From what was essentially a trade-oriented and development cooperation ties, the network of Europe-Asia relations has deepened and

widened in response to a rising Asia, and efforts by the EU to develop its foreign policy capacity and speak with one voice.

Asia now includes three of the EU's six strategic partners – China, Japan and India. Annual summits are held with these strategic partners, as well as with South Korea, sometimes back to back with ASEM Summits. Strategic and security dialogues have since 2005 been a regular feature with China, India and Japan. The EU is also a participant in the ASEAN Regional Forum (ARF) and has become an observer at the South Asian Association for Regional Cooperation (SAARC). It also wishes to become an observer in the East Asia Summit (EAS). The European Commission has developed comprehensive policy papers on China, India and Southeast Asia, and within the EU's common foreign and security policy (CFSP), the first ever guidelines for EU policy in East Asia were published in 2008. The next Summit of European leaders in Brussels on 16th September has "upgrading relations with Asia" as one of its key agenda item – at the initiative of the European Council President, Herman van Rompuy, who will also chair the ASEM 8 summit.

New Partnership and Cooperation Agreements (PCAs) have been signed with Indonesia and Philippines and are under negotiation with China, South Korea, Vietnam, Singapore and Thailand. While not giving up on the Doha Development Agenda (DDA) in the World Trade Organisation (WTO), the EU has begun negotiating bilateral free trade agreements in Asia. An ambitious FTA with South Korea was signed in 2009 and negotiations have begun with Singapore. Other Asian countries are also seeking FTAs with the EU.

Over the last seven years, the network of European Commission delegations in Asia has expanded to cover most of Asia, with new and upgraded missions opening in a further eight countries and territories. With the Lisbon treaty, the European Commission delegations are re-designated as European Union delegations.

Challenges of New Stereotypes

With Asia rising, and Europe re-inventing itself, mutual perceptions of Europe and Asia continued to evolve. Suffice to say that Edward Said's notion of "orientalism" – of an East defined by the West – which was prevalent in Europe and the West even just a decade ago, now seems to be completely outdated. Asia is no longer the object of some European – post colonial or post-imperial – projection or a subject of European imagination. Indeed maybe the pendulum has swung in the other direction? Is it possible now that Asians have a nagging feeling that "Old Europe" is now competing less well at least economically with a more dynamic, self-confident and forward-looking Asia? Europeans are also increasingly soul-searching about its global role.

Indeed one might even comment that new stereotypes have been propagated by the media and that there are now media-driven stereotypes both about Europe and Asia based on selective and pre-conceived reporting. It is salutary to remark that Europe is still the continent in the world the most in demand for immigration, that Europe is still growing and still secure, and on the other hand, that despite Asia's remarkable economic and global resurgence, there remain major challenges of poverty, security, environmental degradation and sustainable development.

Indeed if Euro-centrism still persists, or if Euro-pessimism has set in-ASEM could help Europeans to reduce their insularity and become even more outward-looking as they engage an outward and forward-looking Asia.

Enlargement of ASEM and its Challenges

The ever-expanding membership of ASEM however does pose real logistical challenges to the current working methods and coordination. With more members, it will become increasingly cumbersome and difficult to ensure effective coordination, transparency and flexibility to ensure a lively and satisfying

dialogue and exchange at ASEM summits. With 48 members, many sectors and more than 50 formal meetings each year, follow-up and coordination would become a real issue.

In this context, there is a need to reinforce ASEM's administrative support to enable clearer and speedier coordination and flexibility. The Commission is already financing the ad hoc ASEM 8 Coordination support team in Brussels, and similar efforts may have to be considered in the near future.

As with all governmental or inter-governmental processes, the efficiency, credibility, legitimacy and sustainability of ASEM would be reinforced by enhancing ASEM's visibility. This is one reason why the European Commission financed an ASEM Visibility study report and has hired a visibility consultant to help enhance the visibility and transparency of ASEM.

Geographical enlargement of ASEM and its continuing sectoral diversity of discussions reflect ASEM's attractiveness and success, but also threaten to complicate and burden the ASEM process. This is also a typical problem posed to other multilateral forums and there is no easy solution.

Conclusion

The latest enlargement of ASEM formally to include Australia, New Zealand and Russia the ASEM 8 Summit illustrates the advantages of the variable and flexible geometry of ASEM and its open and evolutionary nature.

The world is changing so rapidly that flexibility is a must for global governance. It is a modern truism that the forces of globalisation are advancing inexorably – and that nation states are struggling to find adequate governance models and policy responses. Global governance and policy regulations are falling far behind the speed of the economic and technological forces that drive globalisation.

ASEM 8 Summit will address these challenges towards global governance. Structured around the theme of "Improving the Quality of Life", it will provide a platform for ASEM leaders to appreciate and discuss Europe's and Asia's attitudes and perspectives on how to address the various global challenges.

Notes:

1 *This paper is adapted from the speech delivered by Mr Tom Roe at a public lecture on 6th August 2010 jointly organised by the EU Centre in Singapore and the Konrad Adenauer Stiftung.*

ASEM'S ENLARGEMENT - STATE-TO-STATE OR REGION-TO-REGION DIALOGUE?

Howard Loewen, Research Fellow (Asia Division), German Institute for International and Security Affairs Stiftung Wissenschaft und Politik)

Introduction

Russia, Australia and New Zealand will formally join the Asia-Europe Meeting (ASEM) on the occasion of the 8th summit taking place in Brussels in October 2010.

Australia applied to join on the Asian side, but when Russia also put in a formal request for membership, a temporary third category was created to accommodate both Australia and Russia, and then New Zealand. Where they will finally reside, which most likely will be on the Asian side, have to be decided formally at the summit. This latest enlargement is fundamentally different from the first enlargement in 2004, which were regionally induced with respective enlargements of the European Union (EU) and the Association of Southeast Asian Nations (ASEAN). Then came the addition of three Asian countries - India, Pakistan and Mongolia, on the Asian side of ASEM, the key justification apparently being "numerical balance" in the face of EU's enlargement to 27 member states.

This whole episode of enlargement in some way reflect the unclear geographical status of the aspiring members and due to the still unclear modalities of enlargement, bringing us to the question - Will ASEM develop from a region-to-region informal dialogue with region-based coordination mechanisms, especially in the case of Europe, to a state-to-state dialogue process with a more diffuse membership without regional coordination provided by the EU and ASEAN? This question is of particular

importance when considering the European Perspective on ASEM latest enlargement. Due to the fact that the European Commission and the rotating presidency is in place to streamline national interests regarding Asia, the EU and most of its member -states have a strong interest to uphold the current group dialogue format. Moreover, European membership in ASEM is based on membership of the EU which results in an enlargement-loophole on the Asian side through which accession is still possible.

This paper is structured in the following way: First, a short description of the ASEM process as a special form of inter-regionalism evolving from a bi-regional dialogue to a more diffuse trans-regional one. Next, to identify mechanisms that drove past enlargements and finally, to provide different institutional scenarios and adjustment of working methods as a result of the latest enlargement.

ASEM – Development, Design and Utility

Evolution

On 1 March 1996, twenty-five heads of state and government and the President of the European Commission met in Bangkok on the occasion of the first Asia-Europe Summit Meeting. The participating states from Asia were mainly East and Southeast Asian countries, namely, China, Japan and Korea as well as seven ASEAN members, namely Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. On the Europe side, it was the leaders of the 15 member states of the European Union and the President of the European Commission. Europeans and Asian alike considered this summit a success, with some observers even speaking of a “historical turning point in relations between the two regions” (Serradell 1996).

This enthusiasm concerning the possibility of an intensified cooperation process between Europe and Asia proved to be

right: in addition to the summit meetings that were held biennially, foreign, economic and finance ministers of the ASEM member states convened annually. The second ASEM summit was hosted by the United Kingdom in 1998 and addressed the Asian financial crisis. The third ASEM summit was held in Seoul in 2000, and the Asia-Europe Cooperation Framework 2000 was adopted which provided some principles and guidelines governing the ASEM cooperation process and procedures. The fight against international terrorism loomed large on the agenda of the fourth summit meeting, which took place in Copenhagen in 2002. On the occasion of ASEM 5 in Hanoi in 2004, the ten new EU-member states on the European side and Cambodia, Laos and Myanmar on the Asian side were admitted. ASEM 6 took place in 2006 in Helsinki and took stock of 10 years of ASEM and addressed inter alia security threats and possible support for the multilateral international system. Two years later ASEM 7 was held in Peking and dealt with the global financial crisis and other issues such as energy and food security. With the accession of Romania, Bulgaria to the EU, granting them the "automatic" rights to become members of ASEM, the European members of ASEM has burgeoned to 28. The Asian side admitted India, Mongolia and Pakistan as new members, and the ASEAN Secretariat was also added as a member increasing the Asian membership to 17. Overall, membership of ASEM has grown from 26 to 45 in just over a decade.

Interregional Design and Utility

The institutional interactions between Asia and Europe are elements of a worldwide process of regime-building as a reaction to the growing political demands to manage the process of economic globalization in the policy fields of global finance, investment and trade. The array of international institutions on the global, regional and now interregional policy-level is commonly referred to as the system of global governance. Interregional institutions like ASEM, the Asia-Pacific Economic Cooperation (APEC), the East Asian Latin America Forum (EALAF) (later

renamed Forum for East Asia and Latin America Cooperation (FEALAC) and the New Transatlantic Agenda (NTA) link the three regions of the world economic triad, Europe, the Americas and East Asia. Moreover interregional institutions establish a new policy-level in the multi-level system of global governance. In this system, five levels of international policy making beyond the confines of nation states may be identified: a global level, an interregional level, a regional level, a subregional level, and a level of bilateral state-to-state relations (Rüland 1999: 133).

ASEM – Development, Design and Utility

- **Global,** multilateral level
  (UN, WTO, IMF, G-8, global regimes like the Law of the Sea etc.)
- **Interregional** level
  (EU-ASEAN, EU-MERCOSUR, ASEAN-MERCOSUR, APEC, ASEM, EALAF)
- **Regional** level
  (EU, ASEAN, SAARC, NAFTA, MERCOSUR)
- **Subregional** level
  (Euroregions, Mekong Region)
- **Bilateral** level of state-to-state interactions

The Asia-Europe Meeting is an informal forum for dialogue on economic, political and cultural matters pertaining to both regions. It is perceived as inter-regional by some scholars in so far as it is part of a process of widening and deepening interactions between international regions (Roloff 2001: 20). From an inter-regional perspective three possible manifestations of region-to-region dialogue may be identified (Hänggi 2006: 42): (i) Relations between two regional organisations. Here two regions are

represented by the members' states of two regional organisations such as EU-ASEAN and EU-Mercosur, (ii) Relationships between a regional organisation and a regional group of states. It is obvious that in this case regions are linked through different actors; (iii) Relationships between two regional groups of states. Here two regions are linked through two loose groups of states that each represents a region in an inter-regional context.

Based on Hanggi's framework, the Asia-Europe Meeting clearly belongs to the second category since the European Union or specifically the European Commission and the rotating presidency act as coordinators of member-states interests whereas on the Asian side regional institutions do not explicitly perform such a function. The Asian side is more or less a loose regional group alongside ASEAN+3 that nominates coordinating countries in order to identify and/or create common denominators before ASEM meetings take place. However, with subsequent enlargements to include India, Pakistan and Mongolia, especially the latest enlargement with Australia, New Zealand and Russia beyond the ASEAN+3 framework or any existing Asian regional architecture, ASEM should be seen more as a trans-regional forum between two loose groups or a "dialogue process with a more diffuse membership which not necessarily coincide with regional organisations, and which may include member-states from more than two regions" (Rüland 2006: 296).

The factor that led to the "creation" of ASEM was the recognition that the economic relationship between the two regions needed to be intensified, indicating the economic possibilities existing within the triad comprising Europe, the Americas and East Asia. It is precisely this growth or welfare potential that lies at the heart of political initiatives to improve on EU-East Asia relations. In 1994, the European Commission issued its "New Strategy for Asia," thereby emphasising the significance of revising the relationship with East Asia, and taking into account its economic, political and cultural importance. Subsequent to a Singaporean proposal to hold an EU-Asia summit meeting, the first ASEM

Summit was held in Bangkok in March 1996, thereby initiating a biennial summit routine (Roloff 2001: 273).

The aim of cooperation is laid down in the Asia-Europe Cooperation Framework (AECF 2000). According to this agreement, political, economic and cultural dialogue is to be promoted within the relationship between Asia and Europe. The process of interaction supported or made possible the institutionalisation of the Eurasian cooperation such as through the establishment of the Asia-Europe Foundation (ASEF) to bring about people-to-people, cultural and intellectual exchange , and the Asia-Europe Business Forum (AEBF) that encourages the cooperation of business leaders from both regions. Furthermore, an interlocking network of international and national non-governmental groups has evolved with the Asia-Europe People's Forum (AEPF), a bottom-up initiative by NGOs that tried to engage with the official ASEM dialogue process.

Yet, cooperation between Asia and Europe regarding the management of global challenges and problems in the issue areas of trade, finance and investment is far from achieving its full potential. For example, no common positions emerged from the discussion of ideas to reform the international financial architecture after the Asian financial crisis in 1997/1998. Instead ASEM continued to adhere to a neo-liberal economic agenda. Moreover the inclusion of labour rights as part of trade related issues led to the complete inability of EU and Asian ASEM member states to agree on common position in the run up to the WTO Ministerial Conference in Seattle in 1999. Along with other developing countries especially Asian members kept on promoting a controlled liberalisation round based on the Uruguay agreements which stood in stark contrast to the sectoral liberalisation supported by the United States and other developed countries.

This inability to find common grounds and help rationalise the global agenda can be explained not only by the clash of

incongruous cooperation cultures, that is informal and non-binding Asian and formal output oriented European norms and principles of regional state-to-state interaction, but also by a clash of material interests that can be traced back to the different economic and political interests of western industrialized countries, take-off economies and developing countries with at times ongoing nation-building processes in the latter (Dent 2004; Loewen/Nabers 2008).

Past Enlargements

	Ante first Enlargement (1996-2004)	First Enlargement (2004)	Second Enlargement (2006)
Asian side	ASEAN + Korea, China, Japan (since 1997: ASEAN+3)	Cambodia, Laos Myanmar	India, Mongolia, Pakistan, ASEAN -Secretariat
Factor		ASEAN -enlargement	Individual states applied (yet members of ARF and EAS)
Asian Partners	10	13	17
European side	EU-15 +European Commission	10 new EU-countries	Bulgaria, Romania
Factor		EU-enlargement	EU-enlargement
European Partners	16	26	28

Practice and Norms of Enlargement

As the first summit in 1996 did not prescribe any criteria or procedures for the enlargement of ASEM and as many states

declared their request to take part in the ASEM process, difficulties and discrepancies concerning the enlargement were apparent. The question concerning the enlargement of ASEM became relevant not only because of the prospective enlargement of both ASEAN and the EU but also because of the belief that the admission of "one or the other state" would serve the strategic interests of the respective group. In the run-up to the inaugural ASEM summit, the EU and ASEAN agreed that the regional groups were the actors who should decide which countries of the respective areas were admitted to the ASEM process. While Australia and New Zealand as well as India and Pakistan primarily had been hotly debated candidates for the enlargement of ASEM, the significance of their accession declined between the first and the second ASEM-summit in 1998. (Robles 2008: 26-27)

The EU as well as ASEAN members were of the opinion that the enlargement of the regional groups should result automatically in the admission of the new states to the ASEM-process. However, this rule of thumb became disputed when Myanmar became member of the Association of Southeast Asian Nations. The EU wanted to deny membership to Myanmar in the ASEM process for reasons of human rights abuses. Hereupon, the Asia-Europe Cooperation Framework suggested that the procedure for the enlargement of ASEM should have two steps: First, the "applicant" country has to gain the acceptance from its own regional group, and secondly, there has to be a consensus between the two groups of states concerning the admission of the applicant.

> Building on the conclusions of ASEM 1 in Bangkok and ASEM 2 in London, the following principles should guide future enlargement of the ASEM participation : the ASEM process, which is open and evolutionary, is intended to reinforce the Asia-Europe partnership; enlargement should be conducted in progressive stages;

> each candidature should be examined on the basis of its own merits and in the light of its potential contribution to the ASEM process; the two-key approach: a final decision on new participants will be made by consensus among all partners only after a candidate has first got the support of its partners within its region, any decision regarding the admission of new participants will be taken by the Heads of State and Government on a consensus basis (AECF 2000).

As successive meetings of foreign ministers (FMM 3-5) did not manage to resolve the deadlock concerning the admission of Myanmar, a virtual breakpoint of ASEM enlargement had been reached. Once the ASEAN members' opinions concerning Myanmar had changed prior to the fifth ASEM-summit in 2004, chances for a constructive solution of the enlargement issue slightly improved. The ASEAN members no longer thought that it was an "unacceptable interference in internal affairs", when Myanmar was criticized for its autocratic form of organisation. Yet, at the same time, some ASEM ministerial meetings to be held in 2004 with the participation of Myanmar were cancelled.

The fifth ASEM summit almost broke down over the continued differences of the Europeans and Asians on the question of Myanmar. The EU threatened to cancel the meeting if General Than Shwe were to participate. The European Commission and the European Parliament were particularly active in this respect. The ASEAN states countered with the argument that they, after all, had been ready to accept the ten new member states of the EU as ASEM members, and therefore, EU should be ready to accept all ASEAN members as ASEM members. After a prolonged struggle, a compromise was reached which allowed Myanmar to participate only if it was represented by low-ranking officials. Myanmar sent a low-ranking minister to the 5th ASEM Summit and the Myanmar question was also clearly articulated for the first time in an official ASEM document. Having resolved the

deadlock concerning the participation of Myanmar, ASEM saw the first enlargement in 2004 where the ten new EU Member States (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) and three new ASEAN countries (Cambodia, Laos and Myanmar) were formally admitted (Robles 2008: 28-29; Loewen 2008: 18-23).

The second round of enlargement concluded at the 6th ASEM Summit, in 2006 did not generate any opposition. Yet it was still unclear why India, Pakistan and Mongolia were finally accepted as ASEM members. This was especially since India and Pakistan have tried from the beginning of the ASEM process to acquire membership, but were rejected by the Asian side due to the fear that the India-Pakistan Conflict might mar the ASEM-process. What are the factors that made the Asian side change their minds? Firstly, since 2001 the perception of security threats significantly changed in Asia: The fight against terrorism ranked high on national and regional agendas and engaging Pakistan and India promised to be a decisive vantage in this endeavour. Secondly, "belonging" or being member of an already existing regional institution in Asia seems to be a relevant factor too. Although Pakistan, India and Mongolia applied as individual states, their membership to the ARF (Mongolia, Pakistan, and India) and the East Asia Summit (India) seems to have been decisive for their acceptance as new members by the Asian side. It is striking that so far no common understanding on criteria for the accession of new members was agreed upon. The two-key approach is only a formal sequence in which decision have to be taken, yet "merits" and "potential contribution" are by no means concrete criteria suited to assess potential members.

European Perspective

From the outset, European Membership in ASEM was implicitly based on membership in the European Union (EU). New EU member State "automatically" becomes ASEM member as they

enter the European Union in accordance with the Copenhagen criteria concerning EU membership. Yet, this mechanism led to disagreements among European and Asian members regarding two points (Japan Center for International Exchange and University of Helsinki Network for European Studies 2006: 188): (i) The European Membership mechanism is defined by the enlargement guidelines of the AECF as mentioned above. As a consequence of the two-key approach each Asian partner theoretically has the right to veto the accession of new EU Member States to ASEM. Since each candidature should be examined on the basis of its own merits and in the light of its potential contribution to the ASEM process, Asian partners could veto the accession of new EU-members on the basis of their possible input to the ASEM-process; (ii) The Asian members of ASEM criticised the EU especially for applying different rules of enlargement for Asia and Europe. European opposition to the ASEAN-member, Myanmar joining ASEM is a case in point.

Current Enlargement

	Third Enlargement (2010)
Asian side	Russia, Australia, New Zealand
Factor	Individual States' Interest (yet members of the East Asia Summit, EAS, and the ASEAN Regional Forum, ARF)
Asian ASEM-partners	20
European side	-
Factor	-
European ASEM-Partners	28

Practice and Norms of Enlargement

The formal decision about the membership of Russia, Australia and New Zealand will be taken on the occasion of the 8th ASEM summit meeting to take place in Brussels on 4-5 October 2010. In order to settle the enlargement question, the 9th ASEM Foreign Ministers (Hanoi, 25-26 May, 2009) gave instructions to prepare for the accession of the new members countries.

> Ministers welcomed the applications of Australia and Russia to ASEM and mandated Senior Officials to work out modalities to enable both countries to formally join ASEM at the ASEM 8 Summit in Brussels in 2010. In light of growing interest from other countries to join ASEM, Ministers also mandated Senior Officials to discuss and propose criteria, principles, and procedures, on the basis of the Asia-Europe Cooperation Framework of 2000 regarding the future enlargement of ASEM (ASEM 2009: 9th FMM, Paragraph 29)

During the ASEM Senior Officials' Meeting in Brussels on 13-15 July 2010 to prepare the ASEM 8 Summit, Senior Officials from European and Asian countries as well as from Russia, Australia and New Zealand discussed inter alia working methods and the question of future enlargements as specifically mandated by the 9th FMM (ASEM 2010). Because the applications especially of Russia and Australia were seen differently by the Asian and by the European side of ASEM (Jakarta Post, 11 June 2009), and there was some uneasiness on the part of some Asian ASEM members to admit Russia on the Asian side, a so-called. "Temporary Third Category Arrangement" was created to accommodate all three new potential members. The creation of such a category clearly indicates that no further decisions were taken on the criteria, principles and procedures of future enlargements.

When preparations for the first ASEM summit was ongoing, Australia has lobbied Asean to become a member on the Asian

side. Russia expressed its interest in the run-up to the third ASEM Summit, yet without giving a preference from which side it wanted to join. After having signed the ASEAN Treaty of Amity and Cooperation (TAC) within the last years and being, in the case of Russia soon to be, members to the East Asia Summit all three states applied to the interregional forum by lining up on the Asian side of ASEM. Despite their European traits they will now join the Asia-Europe Meeting as "Asian" states. But the question remains - will they be a constructive part of Asian decision-making or interest-streamlining before ASEM Meetings?

European Perspectives

It is obvious that European interests or perspectives clearly influenced the decision of Australia, Russia and New Zealand to join the cooperation with Europe and Asia through the Asian side. Europeans made it clear during the 9th ASEM FMM that they would favour such an enlargement. Moreover the Commission has repeatedly encouraged the Asian side to reflect on enlargement towards Australasia and South Asia. By doing this the EU indicated its interest to incorporate all major players of the enlarged Asian region. At the same time numerical imbalances resulting from European enlargement processes could be lessened. From a pragmatic point of view, joining the Asian side is practically the only way to join ASEM at the moment, given the firm European stance on common foreign-policy-making and coordination leaving no room for non-EU European countries to join ASEM. Interesting enough, while some Asian states considered Australia and New Zealand too "western" to join the Asian side ("Asian in geography, European in culture"), ASEM seems to be most flexible on its Asian side. The most dynamic aspects of the East Asian regional architecture, namely the East Asian Summit and ASEAN +3 are increasingly seen as extensions of the ASEAN core of regionalism.

Conclusion

Let us take a look again at the different characteristics of the three ASEM enlargements and the factors that drove them. Whereas European enlargement and ASEAN enlargement was directly translated into the first round of ASEM enlargement, individual states such as India, Mongolia, Pakistan, Russia, Australia and New Zealand applied for membership during the second and third enlargement phase. Since, the enlargement of ASEAN has been completed with the accession of Cambodia in 1999, membership to ASEAN-related institutions such as East Asia Summit and the ASEAN Regional Forum seem to be an implicit means of enlargement thus legitimising the application of individual states mentioned above.

Apart from levelling out numerical imbalances between the stronger European and weaker Asian side, empirical evidence shows that ASEM states do not have a clear picture regarding the future of ASEM. The dynamics of enlargement and the unresolved question of enlargement criteria lead to unintended consequences: The European Union policy makes it nearly impossible for any state outside the EU to become a member of ASEM. This in turn leads to a situation, in which the Asian side has to be flexible regarding the admission of new members. This explains the acceptance of states like Russia and Australia that are not outright "Asian" into ASEM possibly as Asian members.

	Ante first Enlargement (1996-2004)	First Enlargement (2004)	Second Enlargement (2006)	Third Enlargement (2010)
Asian side	ASEAN + Korea, China, Japan (since 1997: ASEAN+3)	Cambodia, Laos Myanmar	India, Mongolia, Pakistan, ASEAN-Secretariat	Russia, Australia, New Zealand
Driving Factor	-	ASEAN-enlargement	Individual states (yet members of ARF and EAS)	Individual States (yet members of EAS and ARF)

Asian Paterners	10	13	17	20
European side	EU-15 + EU Commission	10 new EU-countries	Bulgaria, Romania	-
Driving Factor	-	EU-enlargement	Eu-Enlargement	-
Europe Partners	16	26	28	28

On the basis of these observations three remaining question has to be answered: a) What is ASEM in 2010? Is it more a state-to-state partnership or a region-to-region dialogue? b) How can the working mechanisms be enhanced given the current enlargement and the informal nature of cooperation in ASEM? c) What are possible future-scenarios?

State-to-State Partnership or Region-to-Region dialogue?

At the beginning it was stated that ASEM can be understood as an interaction between a regional organisation on the European side and a regional group on the Asian side with slight tendencies towards transregionalism especially due to the diffuse yet dynamic and comprehensive regional architecture of East Asia in which the 3rd phase of ASEM enlargement was initiated.

This picture still holds true since both sides have an interest to maintain this seemingly bi-regional structure. The Europeans certainly favoured this region-to-region approach as its interests may be better articulated. The Asian side however suffers from a lack of a clear regional representation, and hence may be more sceptical regarding a region-to-region dialogue, in part due to the negative experiences with the accession of Myanmar to ASEM. A state-to-state partnership would imply that no regional

coordination mechanisms such as EU and ASEAN+3 would play any role. Yet, to articulate ASEM now as a state-to-state partnership would mean that the members are not confident anymore that ASEM can perform its basic function of bridging the divide between Asia and Europe.

It became clear that the enlargement question is closely related to the question of how ASEM is perceived by the partners. As already discussed in the previous chapters, the structure of ASEM ambiguously floats somewhere between the Asian preference for a state-to-state and European preference for a region-to-region approach.

Working Mechanisms[1] *and Future Scenarios*

The ongoing enlargement of ASEM also raises the question of how to adjust the working methods to enhance support mechanisms that can provide information, technical and advisory support, information management and public communications to prepare and follow up on the dialogue process.

At present, ASEM is based on informal dialogue and operates with flexibility in all areas of function and process. Two European and two Asian coordinators rotate among the ASEM partners, either on a preset order (the Presidency of the European Union) or following ad hoc arrangements (the ASEAN and Northeast Asia / South Asia coordinators). Coordination and communication between 45 dialogue partners thus poses practical challenges on the day-to-day level, emphasising the need for a more structured working process that can strengthen the forum's continuity from one summit to the next.

Drawing from experience of other international forums, a number of options exist to enhance the mechanisms for coordination, technical and advisory support, information management and public communications to prepare and follow up on the dialogue process. Better coordination and stronger mechanisms need

not be equated with institutionalisation or the loss of the informality and flexibility that is a key feature of the ASEM process.

Incremental changes that adhere to the founding principles of ASEM were seen as the practical way forward: These include for example, increasing the number of ASEM coordinators from four to six, including the next two Summit hosts. With reference to APEC's troika and "Friends of the Chair" mechanisms, ASEM officials could consider devising a formula for the earlier designation of summit hosts to improve continuity and allow for early planning. Improving ASEM's institutional memory and record-keeping functions is a priority and in this area ASEM could consider the set up of a small technical support team to carry out the necessary administrative functions, including information gathering and dissemination, preparation of ASEM meeting documents, and management of ASEM contact lists and websites, among other functions. Overall, ASEM Senior Officials (SOM) need to play a more substantive role in managing the process and setting operating procedures, tracking activities, and ensuring the delivery of set targets. The technical support team will support the SOM in this regard.

Future ASEM scenarios based on the observed enlargement processes should begin with the following assumption: The European Union is not flexible regarding ASEM-enlargement since every new member of the European ASEM-side has to be a member of the EU. As a consequence new non-EU member states have to access ASEM through the Asian side.[2] This again implies two possible options: The first option is that new "Asian" members come to terms with "old" Asian members. The Asian side of ASEM would become stronger, the group-to-group dialogue would continue and possibly new groups such as "Central Asia" or "Pacific" might emerge. The second option is that new Asian members do not come to terms with old Asians. This would clearly foster state-to-state diplomacy and would thus endanger the very identity of ASEM as a region-to-region dialogue between Asia and Europe.

The *best case scenario* would see ASEM adapting to the challenge of enlargement: The EU enlarges slowly and so does the European side of ASEM. Yet, the main enlargement dynamics are located on the Asian side of ASEM. Moreover, working mechanisms are adapted to an increasing number of members and the organisation-to-group or bi-regional format remains in place. This format would in any case make it easier to achieve ASEM objectives: "getting to know each other", identify issues of importance to both Europe and Asia and ASEM as a rationalizer and agenda-setter in the global governance system.

The *worst case scenario* would include a situation in which no common denominator on future enlargements, dialogue format and working methods (how to deal with the pitfalls of informality) can be found. Consequently, the East Asia Summit might substitute ASEM which would have only one remaining function - a means to enter the most dynamic region of the world. Although Russia and the United States will join the EAS, the European Union, although having signed the Treaty of Amity and Cooperation will not be part of this slowly enlarging institution.

The *status quo scenario* puts emphasis on the fact that institutions remain although their legitimacy and purpose might at times be blurred. This would mean that ASEM is still relevant to both European and Asian leaders, since enlarged membership does not imply high costs and ASEM is flexible enough to accommodate different interests in various issues areas. Practical cooperation problems would take place at other bilateral forums but ASEM would continue to try and forge common positions amongst its diverse members on global governance issues.

Notes:

1 *This section draws heavily on the outputs of the ASEM Outlook Workshop (Brussels, 15-16 April 2009) which the author attended.*

2 *This provokes a very interesting question: What would happen if for instance Switzerland or Norway decided to join ASEM?*

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A CHINESE PERSPECTIVE ON ASEM'S ENLARGEMENT AND DEVELOPMENT

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Introduction

The Chinese perspective on the enlargement of ASEM is very much guided by its strong belief of the need to strengthen engagement between Asia and Europe for mutual benefit. Strategically and economically, closer ties between Asia and Europe are crucial to address the global challenges unleashed by the forces of globalisation. The prospect for cross-cultural learning and inter-civilisation dialogue within the ASEM framework is good, and such mutual learning constitutes the driving force for the sustainable development of the ASEM dialogue process.

Impact of Russian and Australian Membership on the Development of ASEM

ASEM with its current membership of 43 Asian and European countries already boasts 60% of the world population and 50% of the world GDP. With the enlargement to include Australia and Russia, ASEM will become an even bigger bloc, becoming the largest inter-continental dialogue structure in the world. It is expected that its geopolitical influence will expand from the two ends of Eurasia to the hinterlands as well as edges of the continent, and further to Oceania. Although both Russia and Australia carry European features culturally, they are closely tied to Asia politically, economically and in security as well. Therefore, while maintaining their traditional links with Europe, these two new countries through their participation in ASEM will further strengthen their ties with Asia, thus increasing the weight of Asia in the ASEM framework.

Russia and Australia are likely to make proposals that will shape and enrich the agenda of ASEM, but not change the basic principle and direction of this multilateral mechanism. For example, given their status as energy and resource powers, their membership will increase the profile and cooperation opportunities of such issues within ASEM. Another area that may become important in the ASEM agenda would be to address non-traditional security challenges such as terrorism, drug trafficking and cross-border crimes as Russia faces grim challenges in these areas, particularly terrorism. For Australia which attaches importance to security cooperation with the United States, it might try to play a bridging role to strengthen ties between ASEM and the US. On the whole, ASEM is to be more committed to cooperation with other key and emerging powers in the world.

Admitting Russia and Australia will help the dialogue mechanism of ASEM to expand its focus to the whole Eurasian continent and Oceania. Since the launch of ASEM, several countries have expressed their interest in its membership, and the entry of Russia and Australia will perhaps enhance the interest of some of these countries. Russian membership might, for example, make Central Asian states more interested in ASEM. With ASEM's flexibility and openness, these Central Asian states if welcomed by both the Asian and European sides, would lead to a better balance between Asia and Europe, at least in numerical terms.

The Australian example followed by New Zealand, on the other hand, will certainly promote expansion of ASEM influence into the southern Pacific arena. There are also signs that certain Middle East countries are showing a strong interest in ASEM as well. Turkey, as a juncture between Asia and Europe, might also seek a seat in this dialogue platform. Iran, to improve its external environment, may probably try to win international support by joining this structure that does not include the US. If Turkey and Iran are to act as expected, those Arabic countries in West Asia might follow suit, as they also consider themselves as important components of Asia.

To sum up, in accepting Russia and Australia, ASEM can demonstrate its openness and flexibility, creating favorable conditions for expanding its spatial influence. Yet, the reality is also that too rapid and excessive enlargement would likely affect the stable development and practical cooperation within ASEM. It is perhaps advisable to have a sort of moratorium on enlargement, but at the same time put in place mechanisms to allow for observer status or dialogue partnership.[1] In this regard, ASEM can learn from the Asean Regional Forum (ARF) I, the Shanghai Cooperation Organisation (SCO) observer regulation[2] and successful experiences from some other multilateral organisations.

Mutual Interests and Benefits as a Driving Force for ASEM Development: A Chinese Perspective

As China sees it, the ASEM dialogue will be sustainable because of the fundamental need for Asia and Europe to work closely with each other in the face of the challenges posed by globalisation. Even with the enlargement to include ever more members and with differences in opinions with regards to the level of institutionalisation, Asia-Europe cooperation will deepen because of the following reasons:

Firstly, the potential for mutual complementation and mutual assistance between both sides are steadily growing, especially in the economic sector. The European Union is facing serious challenges in dealing with financial crises and its integration after the enlargement. Closer economic cooperation with Asia will provide the EU a way to grow out of its current economic difficulties, as the dynamic economic growth in Asia can serve as a strong incentive for European economic recovery. Meanwhile, the further development in Asia calls for more technology and experience in which the Europeans are in a position to supply.

Both Europe and Asia have common interests with regard to the reform of the international financial regime and have reached a

consensus on the need to have more tightened regulation of the global financial sector, and a better arrangement of the international reserve currency system. The deepening of globalisation also means that there should be increased security cooperation between Asia and Europe, particularly on those non-conventional security issues. As Chris Patten, the former EU External Relations Commissioner once said, "The sustained deepening of inter-dependence between Asia and Europe demands that there be a stronger partnership between us so as to cope with the opportunities and challenges of globalisation." [3]

Secondly, as the strategic interest between Asia and Europe expands, Euro-Asian cooperation will deepen and begin to have an impact on global agenda and global governance. It was interesting to note that during the Bush administration, responding to the changes of international relations following 9/11, Asia and Europe expressed similar interests and took the same position in resisting unilateralism on issues such as the war against Iraq, anti-terrorism measures and instead, focused on promoting cross-civilisation dialogue and facilitating peace and development. The US has now signaled a return to multilateralism that to some extent is a result of Euro-Asian common resistance against unilateralism. Down the road, Asia and Europe will need to further strengthen their cooperation on promoting multilateralism and facilitating the democratisation of international relations. At the same time, more and more global problems, such as climate change, food and energy security, will need joint cooperation and actions by Asia and Europe.

Thirdly, a long-term partnership between Asia and Europe need to be underpinned by broad cross-civilisation dialogues and mutual understanding. ASEM has insofar organised several conferences on dialogue among different faiths, issued the "Declaration on Dialogue among Cultures and Civilisations" [4] and commissioned the Asia-Europe Foundation (ASEF) to play an active role in the dialogue process. ASEM, in itself is an embodiment of this spirit of dialogue among diverse cultures, appreciation of differences in value and also in acceptance of

different development levels and social models. As remarked by Mr. Pascal Lamy, the former EU Commissioner for Trade and the current Secretary General of the World Trade Organisation (WTO), "there are many reasons for the Euro-Asian relationship to have developed virtuously, but a crucial reason, in my view, is that both sides have not only recognized and tolerated, but more importantly, also appreciated the differences existing between them (Lamy, 2003:4).

ASEM and the linkages with other regional and trans-regional architecture

ASEM, "ASEAN+3" East Asian Summit (EAS) and APEC are all structures of regional cooperation established in the wave of new regionalism. As all of them have included East Asia, there is an overlapping of geographical coverage, discussion agenda, and operational mechanism, thus presenting a highly complex picture of balancing, complementarities, mutual competition and mutual learning at the same time.

Firstly, ASEM, "ASEAN+3" EAS, and APEC are balancing and competing with each other in an open framework. All these cooperation frameworks emphasized "open regionalism" as economic globalisation has brought about a relationship of intensive interdependence among the three economic blocks of North America, EU and East Asia. The primary motive behind the American push for the APEC process is that it wished to integrate the Asian-Pacific economies, so as to cope with the challenges presented by the deepening of the European integration. Meanwhile, the rapid developments with APEC also drove the EU to accelerate the adjustment of its Asian policy which has led to closer connections between Asia and Europe. ASEM not only opens an avenue for Europe to reach out to the Asian market but also provides a channel to exercise its "indirect institutional influence" (Bulmer, 1997), whereby European values can find their ways into the behavior of Asian states. Because of their high degree of dependence on external markets with their currencies

mostly pegged to the US dollar, East Asia, by entering into such institutional linkages with both the US and the EU through APEC and ASEM, can to some extent balance the two dominant forces, and avoid any over-reliance on any one particular party. At the same time participating in these trans-regional dialogues increased the policy coordination among Asians in their own region as well. Viewed in this way, the mutual balancing and competition underlying the relations among ASEM, "ASEAN+3, EAS and APEC are actually an extension of the balancing and competitive relationship among the three economic blocs.

Secondly, ASEM, "ASEAN+3" EAS and APEC have formed a relationship of positive interaction and mutual influence. All these frameworks have, under the precondition of respecting the diversity of member states, absorbed the "ASEAN Way"(Johnson, 2003) as its modus operandi. The ASEAN Way is characterised by negotiation through dialogue, incremental gradualism, consultation and consensus, and an open and inclusive process. Even though their agreements are not strictly binding, they have functioned well as coordinating institutions, or what could be called international organisations with "soft regionalism" as the hallmark (Bennett, 1995:3). East Asian countries have, in the APEC framework, grouped themselves together to defend their interests, and this growing awareness of geographical affinity has laid a basis for the "ASEAN+3" structure. This mechanism, together with the ASEM process involving "ASEAN+3" (ASEAN and China, Japan and South Korea), has led directly to the East Asian community building. Because the coordinating mechanism within ASEM requires that Asian participants coordinate their policies and positions first before presenting themselves at ASEM, ASEM has contributed to the formation and strengthening of an "Asian identity"(Chen, 2005). Additionally, the further extension of "ASEAN+3" into "ASEAN + 3+3" (EAS) or even "ASEAN+3+3+X" may also exert influence on development of ASEM and APEC.

Thirdly, ASEM, "ASEAN+3", EAS and APEC can complement and promote each other. APEC, as an early runner of new regionalism, has been a good source of reference for ASEM and "ASEAN+X". However, as criticised, APEC "did not make effective contribution to the crisis management" in the wake of the Asian financial crisis that broke out in 1997 to the disappointment of its Asian members (Maull and Okfen, 2003: 244). The initiation of "ASEAN+3", actually a collective response made by East Asian countries to the Asian financial crisis, has made efforts to learn from the lessons of APEC. Indeed, ASEM has also learnt the lessons of APEC, in that it has put emphasis on the quality of cooperation, and has not, for example, pushed aggressively the free trade agenda in face of development gaps and differences in economic systems of the member states. Meanwhile, ASEM has also learned from certain best practices of APEC, such as promoting meetings and dialogue among business leaders and facilitating exchanges between the business community and political leaders. Likewise, APEC can also learn something from ASEM experience like its innovative thinking and mini-multilateral cooperative mode.

How to Make the ASEM Process and Dialogue More Effective and Efficient?

While the open, evolutionary and flexible mode of operation of ASEM has been acknowledged, there have also been discussions on how to make the process more effective and efficient at the same time. The Chinese view is that firstly, the informal and forum-like feature of ASEM should be capitalised upon. This would imply that otherwise controversial or sensitive issues at bilateral level could be put on its agenda in the spirit of multilateralism. Such discussions engender greater understanding even when differences are not eradicated.

For example, it is often known that the human rights dialogue between some European and Asian countries often end in mutual

finger-pointing instead of reaching any consensus. However, if we could put the issue of human rights into the ASEM framework of dialogue among cultures and civilisations the political sensitivity of the issue might be reduced. This might lead to opportunity for building some sort of consensus which in turn would contribute to the development of bilateral relations among the different ASEM countries. It needs to be pointed out that the ASEM process itself demonstrates that good dialogue along with cooperation and mutual accommodation can take place among countries of diverse cultures, values and development models. Let me quote again Pascal Lamy who said, "Diversity is an obvious feature for the Asians...For the EU, its diversity is now increasing with the addition of new cultures, languages and viewpoints. I believe that, so long as Asia and Europe can respect the differences on the other side, such an existing and growing diversity will only become a source of creativity and strength"(Lamy, 2003:4)

Secondly, the mutual complementation and facilitation between ASEM and other Asian-European structures should be enhanced while the possible adverse interactions between them should be avoided. To achieve this, one way is to establish within ASEM a sort of linkages to the various bilateral summits and meetings between EU and the other Asian partners. For example, the dialogue or consultation between China and EU, between Japan and EU, between ASEAN and EU could feed into the ASEM process and vice versa. In this way, better communication can be facilitated among ASEM members, competitions or even suspicions be eliminated, mutual assistance be rendered, and common objectives can be achieved. Perhaps, one of the bilateral cooperation structures can initiate such linkages with ASEM on a voluntary basis.

Thirdly, in those more technical areas of cooperation, efforts should be especially made to turn the innovative thinking of ASEM into bilateral or mini-multilateral cooperative programmes. The cooperation with the ASEM framework has now shifted to

focus on practical actions of free and flexible groupings within ASEM. For example, China and the EU cooperated on joint vaccine development following the SARS outbreak in 2003 which led to productive results. In recent years, between Japan and Europe, and between ASEAN and EU, there have also been numerous success stories of effective cooperation. Such Asia–Europe mini-multilateral cooperation is a new mode of international collaboration still being explored. It can be expected that, after Russia and Australia become ASEM members, this kind of mini-multilateral cooperation among different continents will be enriched and improved. At the moment, certain innovative conceptions and proposals put forward at ASEM are not yet put into practice largely due to a lack of follow-up measures. If the mini-multilateral mode of cooperation can be tried and improved further this will in turn boost cooperation within ASEM as a whole.

Conclusion

Admitting Russia and Australia will certainly enrich the agenda of ASEM, but not change the basic principle and direction of the multilateral mechanism. It will help the dialogue process of ASEM to expand to cover the whole Eurasian continent and further demonstrate openness and flexibility of ASEM. Yet, too rapid and excessive enlargement is also likely to affect the stable development and practical cooperation within the multilateral structure.

Even though it faces certain difficulties like different opinions on institutionalisation and enlargement, ASEM will sustain driven particularly by the mutual complementation and assistance between the two sides. The mutual economic demand, strategic interdependence, and cross-cultural learning between Asia and Europe constitute a main driving force for the sustainable development of ASEM. There is no doubt that the inclusion of Russia and Australia into the structure will only make the driving force even stronger.

ASEM, "ASEAN+X" and APEC are all structures of regional cooperation established in the wave of new regionalism. As all of them have included East Asia, there is an overlapping of geographical coverage, discussion agenda, and operational mechanism, thus presenting a highly complex picture of mutual competition, containment, complementation and mutual learning.

To make the ASEM process and dialogue more effective and efficient, three points are very important. Firstly, the informal and forum-like feature of ASEM should be capitalised upon, which means that controversial or sensitive issues of bilateral talks could be put on its agenda of multilateral forum, so as to develop greater understanding even when differences remained. Secondly, the mutual complementation and facilitation between ASEM and other Asian-European structures should be enhanced while the possible adverse interactions between them should be avoided. Thirdly, in those more technical areas of cooperation, efforts should be especially made to turn the innovative thinking of ASEM into bilateral or mini-multilateral cooperative programmes.

Notes:

1 *Before the first ASEM summit in March 1996, US formally expressed its interest in an ASEM observer position, but EU and some ASEAN members said "no".*

2 *In June 2004, the SCO Tashkent summit passed "Regulations for SCO Observers" and accepted Mongolia as the first observer. In 2005, India, Pakistan and Iran became SCO observers.*

3 *"EU-Asia: European Commission adopts new strategy for enhanced partnership" http://www.europa.eu.int/comm/external_relations/asia/news/ip01_1238_en.htm*

4 *Declaration on Dialogue among Cultures and Civilisations, ASEM V – Fifth Asia – Europe Meeting, Hanoi, October 8-9, 2004.*

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AUSTRALIA IN ASEM - ENGAGEMENT AND EXPECTATIONS

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Introduction

> It is geography, and not history, that must determine our future. Australia's future is an Asian future. (Brett, 1996:187).
>
> Australia: a nation whose memory is in Europe, body is in Asia, conscience is in the Pacific and hip-pocket is in the US (Wiltshire, 2000). [1]

This chapter examines issues relating to Australia's membership of the Asia-Europe Meeting (ASEM). It explores pathways towards Australian cooperation with both sets of interlocutors, Asian and European, within ASEM.

Perceived in the Asia Pacific as having many voices, the European Union (EU) has been a challenging interlocutor in terms of norms and interests; policy variance; national interests and coherence in the EU's regional approach. Further, there are both considerable challenges and opportunities in EU-Asia Pacific relations, relating to visibility and recognition; the exercise of smart power; and the management of mutual perceptions.

While the EU is keen to advance its own regional integration experience as a paradigm for other regions such as the Pacific and East Asia, Australia has traditionally been more reticent until the Rudd proposal for an Asia Pacific community in 2008 (Rudd, 2008). There are discussions regarding the design and desire for a regional architecture that illustrates that the

Asian context is distinctive (Acharya, 2009a; Murray, forthcoming, 2010). The promotion of regional integration is for some scholars the backbone of what distinguishes the EU from nation states. Yet it has also formed part of Australia's recent commitment to its region (Rudd, 2008). The issue of a regional architecture is a challenging one. The debates regarding architecture – and regional norms – take place in the context of security concerns, apprehension about China's rise, transnational challenges and the changing role of the US. There is growing interest in an overarching Asian architecture and in strengthening regional security and economic bodies. Tensions regarding normative approaches have re-emerged, however, the usefulness of state-centred solutions is still being questioned. It is in this context that Australia joins ASEM.

Australia's foreign policy objectives - and engagement with the EU and Asia

The Australian Prime Minister is expected to attend the 8th ASEM Summit in Brussels on 4-5 October 2010. Australia can be expected to punch above its weight and to play a distinctive role in Asia-Europe dialogue, given its affinity with the countries of Asia and its common values with the European Union (EU). Yet, it will need to carve out a role for itself that is distinctive and that is fully resourced. That role is expected to be that of an activist middle power. Australia can be expected to exert a quiet diplomacy while at the same time being an activist state in the Asia Pacific region and in multilateral fora.

Australia is currently actively engaged with the Asia Pacific region in trade and security, and in a deepening relationship with the EU. ASEM provides an opportunity for Australia to interact in a single forum with key partners in each region, and to influence agendas and deepen relations with both sets of interlocutors. Yet this engagement is not without its challenges. The benefits of Australia's membership of ASEM include the development of close relationships with Asian partners and the lessening of potential tensions with both EU and Asian partners, whether

on agriculture with the EU or on the sensitivities of regional architectural design with some Asian partners.

The challenges are to influence agendas that are central to Australia's interests in both regions, and to also seek and influence ASEM members who participated in the G20 and other multilateral fora. It is also important to draw on commonalities of norms and values where appropriate with partners in ASEM, and there are significant divergences in this regard. The EU's *acquis communautaire*, based on a patrimony of norms of stability, peace and pooling of sovereignty, is not replicable in Asia, which is distinctive in terms of security, economic integration and norms. The *acquis asiatique* is based on norms of consultation, consensus, on respect for sovereignty, non-interference and the state's primacy.

Australia has developed relationships with each region, on the basis of its interests, as illustrated below.

Australia-EU Relations

Australia has a dynamic and broad engagement with the EU. The political dimensions are evident in the commonalities of views on multilateralism, global governance, democracy and liberal ideals. There are regular Ministerial Consultations and meetings of the two parliaments, as well as an array of formal agreements. Foreign policy cooperation has developed over the last two decades. There are dialogues relating to security, justice and home affairs, and immigration and asylum as well as shared concerns regarding terrorism (Murray, 2005, 2008). There are also extensive relations in trade, investments and agreements on Science and Technology, Wine and Mutual Recognition. The EU is Australia's largest trading partner in goods and services. It is Australia's third largest export market after China and Japan. The EU is also Australia's leading investor. It is the second destination for Australian foreign investment, after the USA. In 2008, total two-way trade between Australia and the EU stood at $91.3 billion, which accounts for 16.3% of Australia's total trade.

As the EU continues to acquire new powers and develop existing ones, under the Lisbon Treaty, it is in Australia's long-term interest to continue to ensure that it has expertise on EU-Australia relations and multilateral negotiations. As EU engagement with Asia has impact on Australia and Australia's engagement with its Asian interlocutors, ASEM constitutes a pivotal forum to form coalitions of understanding.

Australia and the EU signed a new Partnership Framework (PF) agreement in 2008, updated in 2009, to broaden and deepen engagement based on five objectives:

1. To strengthen bilateral and multilateral dialogue and cooperation in support of shared foreign policy and global security interests;

2. To promote and support the multilateral rules-based trading system, and consolidate and expand the bilateral trade and investment relationship;

3. To enhance regional and bilateral cooperation and coordination in relation to the Asia and Pacific regions;

4. To seek opportunities to cooperate on climate change, environment, energy security, fisheries and forestry;

5. To strengthen cooperation in science, research, technology and innovation, education and culture and facilitate the movement of people (DFAT/EC, 2008).

In the PF agreement, Asia and the Pacific constitute important foci of cooperation between Australia and the EU including the exchange of views on regional architecture for Asia and the Pacific on strategic, security, economic, political challenges and opportunities; and, under objective 3, the promotion of regional security, stability, good governance and nation-building. This objective further states that the interlocutors support China's emergence as a successful and responsible member of the

international community. EU and Australia also agree to exchange information on human rights in the Asia Pacific and to encourage responsible aid practices in the Asia Pacific in line with OECD development assistance protocols including among emerging donors. A final major point of agreement under this objective is to welcome improved cross-Strait relations (DFAT/EC, 2008).

This PF agreement represents a distinctive deepening of engagement between EU and Australia. Since the 1980s, there has been a gradual shift in Australian foreign policy 'culture' characterised by a change of diplomatic and negotiating styles from Prime Ministers Menzies' and Fraser's confrontational approach to the EU to a Labor approach which aimed to be less antagonistic. However, at the same time, in the 1970s and 1980s, there was a significant shift towards deeper engagement particularly in trade, towards Asia under Prime Ministers Whitlam, Fraser and Hawke, culminating in the Garnaut Report (1989) and Prime Minister Keating's cultivation of ties with South East Asian leaders and within the Asia Pacific Economic Cooperation (APEC) forum. There were some significant changes in the second half of the 1990s, with some turning away from multilateralism and free trade agendas towards a pursuing of bilateral free trade Agreements (FTAs) under the government of John Howard. Asia remained important for all governments, yet state-to-state bilateralism, what can be termed traditional bilateralism, remained a key feature of Australian foreign policy under Howard (Murray, 2005). The Rudd government, elected in 2007, pursued a more activist agenda and a three pillared approach to the relationship with the US, with Asia and in multilateral fora.

Australia-Asia Relations

With regard to Australia-Asia relations, Australia was ASEAN's first dialogue partner in 1974. It has extensive relations with Asia in trade and political and security arrangements. It is committed to closer trading relations with the countries of Asia through market access facilitation and FTAs (Garnaut, 1989; Mortimer,

2008, Track Two Study Group, 2009). Recent figures indicate that East Asia accounted for 52.1% of Australia's total trade in goods and services in 2009: the value of total trade in goods and services stood at $263.9 billion in 2009 (DFAT, 2010a:1). China became Australia's largest partner for both exports and imports of goods and services (DFAT, 2010a: 6).

Australia was the originator of the Asia Pacific Economic Cooperation (APEC) forum. It is a supporter of peace and peace-building in the region (e.g. in Timor Leste and the Solomon Islands). It is a key contributor of development assistance to the Asia Pacific region through AusAid. It has extensive educational collaboration with Asian universities, comprehensive scholarship and knowledge of the Asian region. Australian universities are popular with Asian students and the former have also set up campuses in Asia. It is strongly enmeshed in the region through agreements such as the FTA with ASEAN and a diplomatic presence. The ASEAN-Australia-New Zealand FTA was concluded on 27 February 2009 and came into effect in January 2010. Australia also has valuable networks with its Asian interlocutors through the ASEAN Regional Forum (ARF), the East Asia Summit, the ASEAN-Australia Post Ministerial Conference, the ASEAN Economic Ministers–Closer Economic Relations Consultations, the ASEAN-Australia Forum, and the ASEAN-Australia Development Cooperation Program Joint Planning Committee.

Australia's renewed interest in ASEM

How then might scholars examine and conceptualise Australia's new role in ASEM – how it might contribute to ASEM and how ASEM might contribute to Australia's interests? Australia did not join as a creator of ASEM and so it inherits the norms and practices that are in place. This involves a degree of socialization to the norms that have been established over time, and adaptation to the practices and behaviours within the ASEM framework. With the latest ASEM enlargement, ASEM processes and working methods are under discussion at Senior

Officials Meetings (SOM) level, and it is here for example that Australia could contribute, drawing on its role in APEC and in the Cairns Group. The norms are informal in practice, yet a number of normative differences are evident in ASEM, and these are determined by what Acharya (2009b) refers to as normative priors. The differences of norms will constitute a challenge for Australia in determining the extent of its support of the EU on issues relating to human rights and labour standards in parts of Asia, for example.

The EU brings to ASEM an embedded institutionalism underpinned by the treaties and supported by a body of norms, decisions and practices that reflect a combination of supranationalism and intergovernnmentalism. In contrast, due to very different origins and normative settings, East Asian members of ASEM bring to the table a concept of architecture that, while not clearly defined within Asia (Ayson and Taylor, 2009, 188; Tow and Tayler, 2010) nevertheless remains the most utilised term in Asia and more broadly in debates of scholars and epistemic communities regarding transnational cooperation. This architecture consists of open economic regionalism and what Acharya (2009b) calls normative priors, such as the ASEAN way of consultation, consensus and adherence to state sovereignty and security imperatives and the relationship with the US.

Normative priors are defined by Acharya (2009b: 4) as existing local beliefs and practices that determine how external norms are incorporated. Normative change and institution-building are best viewed, according to Acharya (2009b: 7), as 'evolutionary processes contingent upon prior regional norms and processes'. Normative priors and negotiating positions, then, are viewed in different ways among ASEM participants. The expansion of ASEM membership of non-EU participants to India, Pakistan and Mongolia in 2008, and to Australia, Russia and New Zealand in 2010 presents varying views of regional identity and norms and values. The challenge for Australia will be to determine

common positions and outputs that reflect a commonality of views and a recognition of the differing stances adopted by groups and sub-groups within ASEM.

While it may be an exaggeration to assert that there is a Europeanisation – or at least an EU-isation - of practices in ASEM, it is worth noting that it is the European Commission that is funding events relating to the ASEM Summit in the months before it. In addition, the EU is a more cohesive actor in terms of agenda-setting than is the Asian side despite EU problems with policy coherence regarding Asia (Murray et al, 2008). The EU may well be strengthened in the longer term under the European External Action Service, as it begins to take on a new persona.

There are distinguishing features of the EU, then, that have pertinence for adaptation by Australia in its new membership of ASEM. The first is that the EU has economic resources and a high institutional density that contribute to the EU's high visibility and impact in many bargaining contexts (Elgström and Strömvik, 2005). In addition, the EU seeks to play a key role even as a manager of globalisation (European Council, 2001).

There are increasingly new issues on global agendas, and ASEM agendas, and hence states are faced with a more complex system of international decision-making. This means that, for example, trade issues have expanded to include matters such as intellectual property rights, or the defence of cultural diversity, as well as sustainable development and international labour rights and environmental issues. Interlocutors within ASEM such as Australia are obliged to deal with the EU as skilled negotiators, with a track record of working out positions in advance as a grouping of 27 member states. The relatively informal nature of ASEM renders this less of a problem for Australia than in the WTO, for example. Yet institutional adaptation and flexibility by the Australia government and especially the diplomatic service will be required, as Australia participates in ASEM with all the

complexities of having an EU as a skilled negotiator while at the same time with ASEAN and other Asian powers with different informal approaches and no distinctive Asian narrative.

Engagement in ASEM also requires a capacity to act and the resources to ensure that capabilities match expectations. Australia is not a large state and has limited resources, and so it is to be expected that Australian engagement will reflect the importance on how Australia places on certain issues, in a development of issue-based leadership with key partners; on the desire and the capacity of the Australian government to play an active role in, for example, conflict resolution or peace-monitoring initiatives. With regard to its relations with other governments, Australia has a potential bridging role given its deepening relationship with the EU and its FTA with ASEAN and participation in various Asian bodies. These include the East Asian Summit and the ARF (Murray, forthcoming, 2010).

Australia's multilateralism and engagement in trans-regional dialogue

The Australian government under Prime Minister Kevin Rudd (2007-2010) was committed to a 'new period of active, creative Australian middle-power diplomacy', considered 'the right thing to do because Australia can be a greater force for good in the world' and more active 'across the various councils of the world' (Shanahan, 2008). This strategy's past emphasis on multilateral forums was based on a commitment to three factors - firstly, multilateralism expressed through the Cairns Group and GATT; secondly, interest-based coalition building; and, thirdly, promotion of Australia as a good international citizen. This has considerable resonance with the EU and its promotion of itself as a 'global player'. In the case of Australia, middle power activism was recently on the government's agenda (Rudd, 2008, Evans, 2006), pursuing middle power multilateralism as a foundation for Australia's role in international affairs. Ungerer (2007:549) predicted that Australia would play, 'energetically and creatively,

the kind of middle-power role in building constituencies for change on a range of global and regional policy issues of which we have shown ourselves very capable in the past'. There has been a tradition that all governments to an extent pursued, activism in multilateral and regional fora – with the exception of the Howard government that is fully resourced. That role is expected to be that of an activist middle power. Australia can be expected to exert a quiet diplomacy while at the same time being an activist state in the Asia Pacific region and in multilateral fora.

Australia is currently actively engaged with the Asia Pacific region in trade and security, and in a deepening relationship with the EU. ASEM provides an opportunity for Australia to interact in a single forum with key partners in each region, and to influence agendas and deepen relations with both sets of interlocutors.

The Australian government's views on Australia's role in Asia: the Asia Pacific community initiative of June 2008 and beyond

Australia as an activist state in its region is the past instigator of APEC and, more recently, of the proposal by then Prime Minister Rudd on 4 June 2008 for an Asia Pacific community (Rudd, 2008). The proposal was made in the context of an awareness of challenges for the Asia Pacific region which is dynamic and increasingly more connected but faces serious challenges. He regarded the need for a new, over-arching architectural design as essential for regional stability.

The Asia Pacific community proposal stated that it must engage all key countries that make up the region and must be able to traverse economic, political and security issues, including environmental issues such as climate change as well as energy, water and food security. Further, it must foster transparency, trust and foster cooperation and must meet at leaders' level. Finally, the Asia Pacific community idea was not based on the

idea of an EU-style supranational organization – but there was a clear opportunity to learn from the EU about visions and taking the first step. Rudd stated that the proposed Asia Pacific community was not an economic, monetary, customs, or political union. He emphasized the need for a single structure with mandate and membership to encompass the pillars he elaborated on. There was no focus on civil society in the proposal which is essentially leadership driven. One analyst suggests the proposal gives prominence to a key problem that the region is unwilling to confront – that there is no agreement on a common regional architecture (Dobell, 2009). Current regional bodies are regarded by some scholars as being too passive, weak and fragmented, with low levels of satisfaction with existing cooperative mechanisms in Asia (He, 2009: 5).

The Rudd proposal formed part of a vision as to where the Australian government might place itself in the Asia Pacific region as well as a proposal for a community to increase cooperation among its Asia Pacific interlocutors. Foreign Minister Stephen Smith (2008) has stated:

> The Asia Pacific community initiative encourages a debate about where we want to be in 2020, as world economic and political influence continues its inexorable shift to Asia. The challenges we face are substantial: shifts in the distribution of strategic, economic and military influence within the international system; climate change and the increasing scarcity of natural resources including fresh water, arable land and energy supplies; the power of non-state actors, transnational criminal groups and terrorists; weapons proliferation, including the risk of nuclear, biological or chemical weapons falling into the hands of terrorists; health pandemics, and their potentially catastrophic impact on human lives, trade flows and the movement of people; and poverty and inequalities in the distribution of wealth due to the varying rates of adaptation to economic globalisation.

It is in Australia's interests to promote a stable regional architecture. Foreign Minister Stephen sees it as equally in Australia's interests to develop closer economic, political and security ties with the region (Smith, 2008). This involves active participation in, and contribution to, the evolving regional architecture in the Asia Pacific and in East Asia.

Australia seeks a stable Asian region for sound economic reasons (access to markets and related issues such as intellectual property, mutual recognition issues) and for political reasons (the desire for a stable neighbourhood, for good governance and productive political dialogue and for stable and largely predictable alliances in multilateral forums). It seeks stability for security reasons due to its concerns about the unpredictability of security in the region, the continuing role or changing role of US; the increasingly dominant role of China in the region and the concerns about potential Chinese belligerence; the need to have close allies on hard security but also on softer security issues such as people movements, immigration and refugees.

The Rudd proposal was a key policy of the then Prime Minister. The new Prime Minister, Julia Gillard does not have the same commitment and casts doubt on the Asia Pacific Community proposal (AFP, 2010). In a dialogue among think tanks, Julia Gillard has been urged to 'no longer pursue Rudd's badly conceived and poorly received proposal' but instead to work with regional partners to improve the way existing institutions operate (Shearer, 2010), an approach rejected by Ungerer (2010) who suggests that the opposition Liberal party has 'a visceral hatred of all things multilateral'. He emphasized the importance of Rudd having initiated the conversation on Asia Pacific architecture.

Opposition politician Julie Bishop (2009) has expressed skepticism regarding the APC proposal, saying that it is not for Australia to lecture Asia on how to organise the architecture but rather there is a need to build on enhancing relationships within the existing architecture.

Yet, it remains a serious challenge for East Asians to share a common geopolitical vision to which they might harness their economic power. The lack of such a vision—or narrative of regional belonging—renders particularly challenging the need to define the role that regional architecture could play in developing a common geopolitical agenda and in harnessing the region's economic power to the achievement of that agenda (Murray, 2010, forthcoming).

Australia's interest in the ASEM process – applications and acceptance

Australia's original interest in participating in ASEM was motivated by a desire to build on existing engagements in the Asia Pacific region. It was already engaged in dialogue including with the EU as a participant in the ASEAN Post-Ministerial Conference annually. However, the EU's Essen European Council conclusions regarding ASEM made no reference to Australia as a possible participant in the proposed meetings. Instead, the EU and ASEAN agreed at the Singapore meeting that each grouping should determine who could be a member from their side. This appeared to place Australia firmly in the Asian region. Australia's involvement in a meeting of the World Economic Forum to organise a lead-up conference to the first ASEM summit was regarded by then Australian Foreign Minister Gareth Evans as an indication that it was an accepted player in the 'East-Asian Hemisphere', with 'a high acceptance of the idea that Australia is really part of this region.' (Baker, 1995). A commentator suggested, however, that Australian leaders sitting on the Asian side at a meeting to promote Asian trade and investment opportunities 'for our European antecedents' pointed to an Australian identity crisis – or at least an 'incongruous spectacle' (Baker, 1995)

The decision regarding membership was taken at the ASEAN Meeting in December 1995, when it was agreed that three non-ASEAN states could join the ASEM summit – China, Japan and

South Korea. Despite determined Australian government lobbying at that time, no invitation was issued to Australia to participate in the first ASEM meeting, although Japan, South Korea and the Philippines were in favour. A key factor was Malaysian Prime Minister Dr. Mahathir's opposition to Australian membership. Like the Labour government in 1996, the Coalition government of Liberals and the National Party also attempted to join ASEM, with then Foreign Minister Alexander Downer suggesting that Australia had 'much to contribute to the ASEM process.' (The Age, 1997). [2]

A proponent of closer ties between Australia and the rest of Asia regarded Australia's exclusion from ASEM as nothing short of a disaster, suggesting that the fact Australia was denied participation in one of the 'critical political councils of the coalition of states which dominates us economically' is 'comparable to a colonial status for Australia' (Fitzgerald, 1997:2). While this view was not shared by all in government, nevertheless, the increased interaction among the interlocutors that was facilitated by ASEM and its summits and senior officials meetings, as well as the work of the Asia- Europe Foundation, arguably meant that there was little opportunity to provide the EU with an appreciation of Australian expertise on Asia, for example. As long as Australia remained outside of the ASEM framework, this was a source of frustration among some Australian policy makers and analysts. At the time, both the EU and Australia shared an interest in developing close relations with East Asia, as seen in the EU's East Asia Strategy of 1994 and the influential Garnaut 1989 report on Australia and the North East Asian Ascendency. It was observed at the time that

> Neither Canberra nor the Union hides the fact that, as traders, they are more interested in Asia than in each other. But they nevertheless stress the political importance of the relationship—and acknowledge that their combined weight may help push Asian partners to open markets as well (Wise, 1996).

In 1998, Australia again applied, unsuccessfully, to join ASEM. It applied again under the new Rudd government at the 2008 ASEM in Beijing. It was actively supported by Singapore (Sheridan, 2009). The previous opposition by Malaysia's Prime Minister Mahathir was no longer in effect. The ASEM Foreign Ministers meeting in Hanoi on 25-26 May, 2009 accepted Australia's membership.[3] This was a considerable achievement for the Australian government, coming at the end of intensive lobbying of both European and Asian interlocutors.

There was however, an issue that had not been expected that was associated with the Australia bid. Sheridan (2009) notes that 'the issue was complicated by Russia's membership application, which had previously been rejected'. The EU insisted that membership on the EU side was open only to EU members – that the 'E' in ASEM stood for 'EU' and not 'European'members. This led to an application by Russia to as an Asian member, which caused some disquiet among some Asian leaders. A temporary category was then established to accommodate Russia, Australia and New Zealand. This category has little practical value, as the leaders at ASEM sit in alphabetical order. Yet there will be a need to settle the broad issue relating to membership at future Senior Officials meetings.

Australia's priorities and contributions to ASEM in general and the ASEM 8 summit

The Government welcomed the positive response to membership of ASEM. ASEM membership is perceived as strengthening Australia's 'engagement and integration with Asia', and as being in alignment with Australia's commitment to a new era of engagement with the EU including through increased cooperation in the Asia-Pacific region (DFAT, 2010b). In terms of Australia's international cooperation on key challenges, Australia's membership is regarded as expanding the scope for cooperation on the global economic crisis; sustainable development, the Millennium Development Goals, climate change and energy security, and also on 'country-specific situations' such as Iran,

Burma, Afghanistan and North Korea (DFAT, 2010b). On a broader scale, participation also makes available to Australian policymakers a further avenue which can be utilised to 'promote Australia's interests on issues such as disarmament, counter-terrorism, financial reform and the Doha Round of world trade negotiations' (DFAT, 2010b).

In a reply to a parliamentary question regarding the Government's objective for joining ASEM, Foreign Minister Stephen Smith (2009a) replied that ASEM membership

> will advance Australia's national interests. It will strengthen Australia's ties with two regions of great importance to Australia's prosperity and security. It will allow Australia to make a contribution to efforts to promote dialogue and cooperation between Europe and Asia.

He commented that ASEM 'fosters cooperation on a range of issues of importance to Australia. For example, the dialogue encourages effective regional and global approaches to international problems such as the global economic crisis, climate change and realisation of the Millennium Development Goals. He referred to the acceptance of Australia's membership of ASEM as 'a collective recognition by the countries of ASEM of the strong contribution Australia can and will make to the ASEM process. Australia's participation in the Asia Europe Meeting process demonstrates the Government's commitment to working regionally and multilaterally to address economic, political and security challenges. It demonstrates the Government's commitment to the strongest possible relations with our Asian neighbours and it complements our engagement in other regional groupings'.

Australia will officially join ASEM along with the Russian Federation and New Zealand at the Summit of 4-5 October 2010. The government is in what can be termed a 'learning and listening' phase at present, closely following developments and monitoring key issues. Australian officials have attended relevant meetings

such as the Senior Officials Meeting (SOM) in Brussels on 13-15 July 2010, convened by the Belgian Presidency. The SOM dealt with organisational and substantive issues especially relating to the texts for the meeting of the leaders in October. They agreed on the priorities of the response to the economic and financial crisis and progress on sustainable development for the Summit, which has as its theme 'Achieving greater well-being and more dignity for all citizens' shortened to 'Quality of Life' (ASEM, 2010). These priorities are in accordance with Australian national policies. Senior Officials furthermore discussed ASEM working methods, future enlargements (in accordance with the mandate of the 9th Foreign Ministers' Meeting) and longstanding as well as recent ASEM initiatives. It is to be expected that Australia will contribute some pragmatic proposals for compromise texts on the issue of working methods. A study commissioned in 2009 noted

> As APEC and ASEM show, if cooperation is to induce collective learning processes based on positive shared experience, then the crucial matter is how such cooperation is organized (Track Two Study Group, 2009:76).

Given that former Prime Minister was later persuaded that the proposed regional architecture must have ASEAN at its core, and include the US, China, Japan, the Republic of Korea, India, New Zealand, Australia and Russia, it makes sense for Australia to engage with most of these - only the US is not an ASEM member - within the ASEM forum, in both large scale multilateral agreements and, more pertinently, in what can be called mini-lateral groupings of a small number of states whose objectives are closely aligned with those of Australia. In this way, summitry and multilateralism are also complemented by officials' level meetings; track-two discussion and socialisation; coalition-formation and caucusing among a small number of key strategic partners on specific issues. This could be expressed in the developing 'issue-based leadership' context. The ASEM Helsinki Declaration of 10-11 September 2006 stated that:

> Without prejudice to the role of Coordinators, countries can take the lead in sectors and on issues in which they have a particular interest and expertise. Building on existing cooperation patterns, a mechanism revolving around a number of cosponsoring countries willing to drive projects and initiatives in a certain policy area can produce tangible benefits for all. (ASEM, 2006).

It is important to seek a key participatory role in ASEM's Singapore -based Asia Europe Foundation (ASEF), given its extensive linkages with Asian and European educational establishments, and cultural traditions and the manner in which it is enmeshed in the preparatory conferences and workshops in Europe and Asia currently taking place on the ASEM agenda and potential outcomes. Resources may need to be allocated for adequate staffing in order to prepare for this engagement.

The position of the Australian government is that ASEM is part of a 'very strong commitment to deepen and broaden our engagement both in Asia and in Europe' (Smith 2009b), reflecting 'the modern basis of our relationship and engagement with Europe, just as it does our strongest possible commitment to our friends and colleagues in Asia'. There is a clear commitment to have stronger links with each of the regions. Foreign Minister Smith regards the ASEM Summit in Brussels as enabling the government to advance its national interest in both Asia and in Europe. This positive view is not shared by an analyst who considers that Australia needs to be in regional forums 'which will serve a substantive relationship building role (i.e. ASEAN+3)' rather than a participant in 'a talk shop for partners widely separated by their geography and peripheral in their common interests' (Grenville, 2004:12)

Within ASEM, Australia could build on its reputation as a mediator, bringing together broad coalitions (as it did in APEC and the Cairns Group), drawing on informal and formal discussions. The building of a broad coalition of states in favour of a more

comprehensive Asia Pacific architecture may well constitute a key challenge for the next government. Drawing on its extensive contacts within government and among government officials in Asia will prove fundamental to its interests. Softer and normative influence as a middle power can provide the government the opportunity to present proposals, build broad coalitions, engender informal discussions and build common understandings of norms and values. It will need to recognise where these common norms do not exist. These objectives can be developed in the next stage of persuasive diplomacy, the development of a culture and a habit of cooperation.

There are some challenges for Australia's persuasive diplomacy. Australia has different values and society from many of its neighbours in Asia. Its political institutions and political culture are democratic. Its civil society is distinctively Western and is in contrast to many of its neighbours. It has different foreign policy goals and different economic interests in some cases from its neighbours. It is therefore important to emphasise the importance of trust and regularity of meetings, as these build confidence in interlocutors.

Opportunities and Challenges – shared values, pillars and middle power diplomacy

Australia is keen to see the key priorities of the ASEM agenda advanced and to participate in their development. It remains committed to strengthening relationships and fostering closer practical engagement with the countries of South-East Asia, particularly cooperation on regional security and transnational crime. It is engaged in work to open new markets and to reduce the barriers to trade and to improve access for Australian business in the region (DFAT, 2009). While seeking to strengthen existing regional forums, it has more recently been investing in efforts to develop enhanced regional cooperation and in "Advancing the Comprehensive Economic Partnership in East Asia" this will be a priority (DFAT, 2009; Track Two Study Group, 2009).

Areas for cooperation in the ASEM agenda focus particularly on financial and economic governance, and sustainable development. The issue of membership will remain one that requires further discussion in non Summit meetings such as Foreign Ministers and Senior Officials meetings. Australia will be in a position to reflect on where and how best to contribute to ASEM once it becomes a full member at the ASEM Summit in October 2010. The option worthy of further consideration is that of action below the multilateral context – of minilateral or issue-based leadership. Australia as a middle power already punches above its weight in its own region of the Asia Pacific. It also punches above its weight as a key partner of the EU in terms of like-minded agendas under the Australia-EU Partnership framework of 2008-9. It is actively involved in a number of other forums where it has a reputation as being a constructive dialogue partner, and it is to be anticipated that Australia could utilise meetings and *en marge* sessions of ASEM to discuss, caucus and form working coalitions of like-minded countries ahead of the next G20 meeting in Seoul and the Cancun meeting on climate changes, areas which are important priorities for the Australia government. So ASEM multilateralism may well facilitate other forms of multilateralism in which the Australia government has a clear vested interest.

Australia will need to develop a short list of ways that it can best be effective, given its finite financial and diplomatic resources and other commitments. Yet, the ASEM context is an effective means to bringing together a large number of Australia's key partners in one forum and it is advisable to take advantage of this in order to yield fruitful results. Sheridan (2009) has noted that

> for a sophisticated country like Australia, operating a sophisticated and integrated foreign policy, it is a way of maximising presence, access and influence. Being there does not guarantee influence -- you need smart representation, something of substance to say and commensurate resources for that -- but not being there guarantees lack of influence.

The Rudd government established a three-pillar approach to foreign policy as part of its revival of a middle power agenda – the relationship with the US, engagement with Asia and a clear commitment to multilateralism. Membership of ASEM is linked to the achievement of the second two objectives and the first, the relationship with the US remained pivotal to the Rudd proposal for an Asia Pacific community, in stark contrast with the Hatoyama (2009) proposal for an East Asian community. It is to be expected that Australian national interests will remain embedded in the relationship with the EU and with the Asia Pacific region. It is to be expected that the momentum for improved Australia-EU relations will continue, just as it had steadily improved under the Howard government in the past (Murray, 2007). There are opportunities for education, cultural and social linkages through the Asia-Europe Foundation and twinning of think tanks across and within region, as well as the research networks that are available through Australia's membership of the ASEM Trans-Eurasian Information Network project to improve the interconnectivity between European and Asian research and education networks.

Conclusion

This chapter noted at the beginning that Australia is an activist state. Such activism is interpreted differently according to which government is in power. The government will no doubt seek a distinctive role. Such a role does not need to be about power politics, only as Australia has the opportunity to play a soft power role in its own region and in its engagement with a European Union of similar soft power and normative power values, even if applied in different ways. It has been suggested by a former Foreign Minister some years ago that Australia had some important choices to make and these points still have resonance for its engagement with and within ASEM. Gareth Evans (2006) proposed that Australian governments

> Recognise that as a country Australia does have fantastic international strengths – in terms of our political and

economic stability; the leverage that our resource base gives us (in playing perhaps a leading global role in the emerging nuclear power debate); the professionalism of our military; the extraordinary quality (recognized word-wide) of our best human resources; and the reputation for creativity and energy and stamina in seeing things through that we have won for our middle-power diplomatic efforts in the past.

Recognise that for a country like Australia, that will never have the political or economic or military clout to force our own way, our future depends ultimately not on our friendships and alliances with the great and powerful (comforting, reinforcing and important to maintain though they may be) but on a rules-based, not power-based, international order, and that effective multilateral institutions and processes, global and regional, are a crucial part of securing that.

Australia's role in ASEM, then, may not be in leadership from the front, but in activism, persuasive diplomacy and taking advantage of its unique relationship with both the EU and the Asia Pacific region.

Notes:

1 *Professor Ken Wiltshire, AO, Australian representative, UNESCO , quoted in The Bulletin, 10 Dec 2000-12 Jan 2001.*

2 *The Asia Europe Cooperation Framework of 2000 states that enlargement of membership should be conducted in progressive stages; that each candidature should be examined on the basis of its own merits and in the light of its potential contribution to the ASEM process; and that a final decision on new participants would be made by consensus among all partners only after a candidate has first got the support of its partners within its region. Finally, any decision regarding the admission of new participants would be taken by the Heads of State and Government on a consensus basis. http://www.aseminfoboard.org/About/AECF2000/*

3 *See: Chair's Statement of 9th Foreign Ministers Meeting, Hanoi, 25-26 May 2009, http://www.aseminfoboard.org/Calendar/MinisterialMeetings/?id=228*

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RUSSIA IN ASEM - ENGAGEMENT AND EXPECTATIONS

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Introduction

The year 2010 in many respects has become a turning point for Russia's foreign policy. We can say that its post-Soviet period, which began 20 years ago with events that led to the break-up of the Soviet Union, is coming to an end. Changes within the country and, especially in the international situation have been building up for a long time, but now several processes have intersected and produced a transition to a qualitatively new level.

First, major global actors have finally recognised that Russia has priority interests in the former Soviet Union. Second, Russia's policy has turned towards the East, towards Asia – from the point of view of international relations and in the context of territorial development of Siberia and Russia's Far East. And finally, Russia has been rethinking its relations with Europe – they have ceased to be strategic and are largely becoming socio-economic. This is because Russia has proclaimed a policy of domestic modernisation, which historically has a source in European countries, and because Europe is losing its status as a global political actor.

The global frameworks, within which these three processes important to Russia are taking place, are set by actions of the two most influential powers in the world – the United States and China. The growth of China's economic and political influence on the international scene is gradually becoming a dominant factor in Russia's foreign policy. Many regional and global

phenomena are viewed through this prism. The desire to use opportunities offered by the growth of Asia in general and China in particular is mixed with concern that Russia may turn into a second-rate power in Asia, which would entail a decline of its global status. The shift of the U.S. strategic interest towards South Asia and the Asia-Pacific region also requires a new agenda for Russian-U.S. relations. It must be basically different from the present one which was largely inherited from the Cold War era and which, therefore, does not meet the 21st-century reality at all.

Everything happening now is a result of fundamental shifts in the world order, which were set off by the end of the Cold War's ideological standoff. However, their end – just as the expected configuration of the future international system – is nowhere in sight yet. Russian politics over the last 20 years has been a graphic reflection of developments in the world, and Russian decision to join ASEM is part of its broader shift in foreign policy orientation in response to global developments.

Russia after the USSR: Goals and Tasks

With the break-up of the Soviet Union, the Russian Federation retained a huge Eurasian territory, the world's largest nuclear arsenal, permanent membership on the UN Security Council and hence continued to wield considerable influence in processes taking place in the former Soviet space. At the same time, it sought to dissociate itself from the Soviet legacy, and supported the national-democratic pathos of other Soviet republics.

In geopolitical terms, Russia remained – and after some time it began to view itself as – not a new state but a reduced version of the former one. Hence, the tasks that Moscow set for itself – restoring its status and global role and reintegrating the historical territory, at least in the form of "privileged interests" in the fields of economy and security.

It was these goals that Russian politics sought to achieve in the period from 1993 (when the issue of power in Russia was finally decided in favour of Boris Yeltsin's group) to the end of the first decade of the 21st century. In terms of goal-setting, Russia's foreign policy remained within the same paradigm under the three presidents, despite obvious differences between them, demonstrating far more continuity than it seems. Naturally, the situation in the country and the world changed, causing changes in understanding of what should be done to achieve these goals.

Under Yeltsin, the emphasis was made on enhancing the role of Russia through integration into Western institutions. It was this logic that underlined, for example, the Partnership and Cooperation Agreement with the European Union, signed in 1994 and ratified in 1997. The EU viewed Russia like a candidate country, although without membership prospects. In other words, it was believed at the first stage that Moscow should gradually move towards Europeanization in its modern sense, that is, in accordance with the EU's norms and rules. However, this model soon found itself in a contradiction. On the one hand, there was the Russian leadership's desire to be "like Europe"; on the other hand, there was an insurmountable burden of the great power which, for geographical, strategic and historical reasons, simply could not follow the example of Central Europe and become a subordinate part of a supranational structure.

In the 1990s, Russia nonetheless made several steps towards its institutional integration into Euro-Atlantic structures (membership in the Council of Europe and the Group of Eight, and attempts to create new pattern of relations with NATO). However, by the end of the 20th century, the West grew deeply disillusioned with the course of Russia's transformation, which did not proceed as it had been expected after the collapse of Communism, while Russia grew increasingly irritated by the West's diktat in world politics. NATO's war against Yugoslavia was taken by Russia as

an attempt to establish hegemony of force by the U.S. and the North Atlantic Alliance.

The change of power in Russia and the coming of Vladimir Putin to the post of president did not change Moscow's policy, though. Putin, just as his predecessor, was set to make Russia part of the club of major powers. Later in the 2000s, however, his views of the conditions on which this should be done markedly changed. As economic and political governability was restored in Russia and as its influence increased thanks to the rise in price of oil and gas, Moscow insisted on greater equality in integration and was no longer willing to accept any terms proposed by foreign, above all Western, partners. Nevertheless, Russia's overall goal remained unchanged until the second half of the 2000s.

The turning point came in 2006-2007 and was due to both internal factors (the growth of authoritarian tendencies in politics) and rapid changes in the external environment. One could say that Moscow grew increasingly disillusioned by the impossibility of obtaining an equitable and mutually acceptable status in the existing system. This, in turn, manifested in its increasing doubt on the need to integrate into the existing system which the West viewed as optimal. Instead it wanted to demonstrate its disagreement with the established situation and decided to put a firm end to the logic of automatic extension of the military-strategic interests of NATO and the US to the post-Soviet space.

To the Russians, the external environment was also marked by a growing decay of the system of international institutions, which had remained largely unchanged since the Cold War times and which no longer conformed to the new reality. Attempts by the U.S. to adapt these institutions to a situation of absolute American leadership failed, and the very desire to build a world order based on the domination of one country proved to be unrealistic. The setbacks in Iraq, the protracted war in Afghanistan,

the weakening of transatlantic ties, and NATO's inability to continue its extension to the post-Soviet space – all these factors showed that the American-centric strategy increasingly failed. The most recent global financial crisis clearly demonstrated the economic limits of the U.S. might and the limits of a system of relations that seemed to have been firmly established after the Cold War. The rapid development of Asia made this tendency even more distinct.

Russian Foreign Minister Sergei Lavrov wrote in 2008: "The global financial-economic architecture was largely created by the West to suit its own needs. And now that we are watching the generally recognized shift of financial-economic power and influence towards new fast-growing economies, such as China, India, Russia and Brazil, the inadequacy of this system to the new realities becomes obvious. In reality, a financial-economic basis is needed that would conform to the polycentricism of the contemporary world. Otherwise, the governability of global development cannot be restored (Lavrov, 2008).

Under these conditions, the concept of a "multipolar world", which Moscow had supported verbally since the mid-1990s, became increasingly popular. However, whereas it had largely been an abstract political notion before, now it began to obtain practical economic contours. The global environment, ungovernable as one whole entity, began to be structured around centres of economic growth and development, each being a "pole" of economic and, therefore, political attraction. Interaction between these poles, linked by a common tissue of the world economy, became a form of the world system's existence. This is a complex and nonlinear process, since the increasingly integrated nature of the world economy is coming into conflict with the still fragmentary state of world politics, and this fragmentation is only deepening.

Multipolarity is now transformed into a way of structuring the global international system, where the basic constituent parts

are no longer individual states as it used to be since 17th century, but instead conglomerations of mainly economic interests, united around the most powerful centres of attraction and economic growth.

Former Belgian Prime Minister Guy Verhofstadt wrote about the emergence of political and economic entities "potentially made up of many states and peoples, united by common structures and modern institutions, often nourished by diverse traditions and values and rooted in old and new civilizations… What matters is the political stability and economic growth that they can create at a regional level, not for one or other of them to rule the whole world. In a nutshell, this is not about nostalgia for a return to the European empires of old but rather the birth of new types of political organizations, established by open and free societies, competing with each other at a global level, building bridges rather than walls, but each retaining its regional roots and customs" (Verhofstadt, 2008:7). Verhofstadt referred first of all to the European Union, but his analysis, it could be argued, amounts to a description of how "poles" will constitute a new type of structure for the world system.

The EU and China are the most pronounced "poles" of this kind; attempts to form such conglomerations have also been made in Latin America (various regional integration projects), Africa, and the Gulf area. Potentially, Russia may (and must, from the point of view of global stability) become such a centre, although everything depends on its own ability to develop and become a focus of economic growth. Recent development sends contradictory signals – Russian activity on the post-Soviet area is growing as does understanding of economic, political, demographic limits of Russia's ability to shape a real "pole".

In 2008-2010, Russia took advantage of its increased resources and enhanced political potential and the political and economic problems of the EU and the U.S. and restored, as much as it could, its influence lost with the collapse of the Soviet Union. Russia was recognised as a key world power whose views on

some major issues should be reckoned with. In addition, no one de facto objects that Russia has priority (although not exclusive) interests in the former Soviet Union.

So, the system of priorities which shaped Russian politics after 1991, has now been largely implemented. But now Russia is facing another, much more difficult task – filling its restored status with new content. Its real capabilities for that are limited, and new requirements are now set for its foreign policy.

Russia – Caught between Challenges from the East and the West

As U.S. scholar Thomas Graham pointed out, "For the first time in the modern era, Russia is now totally surrounded (beyond the former Soviet space) by countries and regions that are more dynamic – politically, economically or demographically – than it is (Graham, 2010:62)." This factor creates a fundamentally new situation. Russia used to view Europe as a more progressive region, from which it could learn something, but it always viewed Asia as a less developed part of the world.

Russian Deputy Foreign Minister Alexei Borodavkin, who is in charge of Russia's relations with the Asia-Pacific region, formulated the task in the following way: "Our society needs to change its attitude to Asia. 21st-century Asia is not the 'backward and savage Asia', about which our grandfathers used to speak with disdain. It is a highly developed economy, advanced technologies, modern cities and educated people. We have much in common with this Asia in history and culture. But, unfortunately, people in Russia now have little, scrappy knowledge about it. And even this knowledge is largely from the past." [1]

Prominent foreign-policy analyst Sergei Karaganov noted that

> "the main change, although not fixed in agreements or declarations, was the emergence of a genuine geopolitical

> alternative for Russia – for the first time in centuries. The economies of China and other countries in Eastern and Southeast Asia that are developing at skyrocketing rates, their fast-paced technological progress and the incipient shifting of global financial centres to the region furnishes Russia with an opportunity of a partial reorientation towards Asia in foreign policy and trade. This reorientation may have even more attraction as it requires only the construction of new roads, oil and gas pipelines and the signing of new concessions, but it does not demand modernization of society. The reorientation issue was off the agenda until 2009, as Russia and the Soviet Union had always been oriented towards Europe and the West (both while feeling attraction to or repulsion against them). The availability of an alternative strengthens Russia's positions in bargaining with the West. Yet it also increases the chances – if the existing vector of social and economic development persists – of sliding past the status of a 'respected younger brother' and turning into an outright raw and energy appendage of Great China. This will add to the unenviable role of a powerful but weakening energy appendage of feeble Europe. In the final run, a scenario of this kind is fraught with weakening of the country's sovereignty (Karaganov, 2010).

There is also a different point of view. Pavel Salin holds that "if the present trends persist, the Chinese model of the world will de facto assign to Russia a place that would largely satisfy its elites and population. In particular, Russia would provide raw materials for the growing Chinese economy in exchange for access to the world infrastructure created by Beijing" (Salin, 2010: 81).

Russia has now found itself between the two poles of very intensive socio-political development. On the one hand, this

situation offers opportunities because the dynamism of neighbours can be used as an engine for one's own growth. On the other hand, it exacerbates the competitive environment because all the opportunities not used by Russia will eventually be used against it by more active rivals.

In the context of "multi-polar thinking", characteristic of the Russian elite, this is a very serious challenge, as it jeopardizes Russia's ability to form a "pole" of its own, which is viewed as the main condition for Russia's influential and independent status in the future world order. On the whole, Moscow succeeded in creating political prerequisites for leadership on a large part of the Eurasian continent in the 2000s, but the existing economic, social and intellectual resources are not enough for turning prerequisites into reality.

In this connection, the slogan of modernisation put forward by Russian President Dmitry Medvedev, has become the leitmotif of Russian politics over the last year. Foreign policy is viewed through this "modernisation" prism as well. The bulk of President Medvedev's speech to Russian diplomats in July 2010 was on how foreign policy can help solve domestic political and economic problems. Interestingly, the president named three priority areas, among which relations with neighbouring countries in the post-Soviet space (the main trend in recent years) rank only third after relations with developed countries and regions – the U.S. and Europe, and with the Asia-Pacific region. The two main priorities are viewed in the context of building "modernisation alliances". This fits into the overall logic – leadership in the territory of the former Soviet Union requires, above all, strengthening one's own capabilities, using sources in the West and the East.

The fact that the Asia-Pacific region ranks second in the list of priorities reflects Russia's serious turn towards Asia, which is necessitated by the logic of world development. Until quite recently, Russia's foreign-policy activity in Asia was very limited

and was a derivative of its relations with the West. The development of relations in Asia was now and then given special emphasis as a counterweight to relations with Europe (the economy) and the U.S. (the military-political sphere). For example, the idea of a "strategic triangle" between Russia, India and China was first expressed by Yevgeny Primakov in the second half of the 1990s when Russia's rapprochement with the West stalled. At the end of his presidency, Boris Yeltsin pointedly emphasized his desire to strengthen relations with China, accompanying this with harsh statements against the United States. At the same time, discussions on the extension of energy cooperation with China and other Asian countries in the mid-2000s coincided in time with a period of the most strained relations with the European Union over gas demand and supply.

The issue of the Far East in the context of changes taking place in Asia was first seriously raised in Russia in the first few years of the 21st Century but no practical measures were taken until recently. Nevertheless, discussions intensified as awareness grew that Asia was increasingly becoming a centre of global economic and political development.

For example, a remarkable discussion took place in February 2010 at the Krasnoyarsk Economic Forum, which discussed infrastructure problems of Russia and which traditionally attracted many representatives of the Russian top elite. This year, a special panel was organised at the forum for the first time, which discussed "External sources of modernisation: Opportunities and dangers of the 'Asian trend' " which drew everyone's interest. The discussion revealed an interesting contrast between how problems of the Asian part of Russia were viewed by the federal centre and by people in Russia's Far East and Siberia. According to many speakers from Moscow, the main threat is that Russian territories are targets of China's economic and demographic expansion, whereas the majority of speakers from Siberia and the Far East insisted that the real problem is that Russia is not an economic priority either for the Asia-Pacific region in general, or China in particular. [2]

These conclusions were confirmed by a survey titled "The Far East: Untapped Potential" and conducted by the Russian investment company Troika Dialog. "The man-in-the-street in Moscow or Nizhni Novgorod is afraid of a Chinese invasion much more than the man-in-the-street in Vladivostok or Khabarovsk is," the survey says. "There are few signs of Chinese presence in the region. There are fewer Chinese in the streets of Khabarovsk than in London, and Chinese companies do not have firm positions in the region. There are few examples of investment by Chinese companies: this issue is complicated by legal obstacles." [3] The survey also says that "the synergy between Russia and China is the best in the world: Russia has the natural resources that China needs, while China has the money (capital surplus) that Russia needs. China has a very low return on capital, while Russia has high interest rates, so it would be only logical if Chinese money flowed into Russia.

According to the Russian National Committee of the Council for Security Cooperation in the Asia Pacific (CSCAP), Russia, which is the world's largest energy producer, today only accounts for 1.7% of oil, 0.002% of gas and 0.8% of coal in the energy balance of the Asia-Pacific region? At the same time, a survey conducted by the Department of the World Economy and International Affairs at the Higher School of Economics says that more than 53% of Russia's foreign trade and an overwhelming part of investments in and from Russia are now made with European Union countries. The place and role of the latter in the world economy will gradually decrease and will continue to inevitably decrease in the foreseeable future due to structural features of European economies and social systems. Despite the significant growth in Russia's trade with Asian countries in the last few years (mainly due to imports), the share of all APEC economies (including the U.S., Canada and Australia) in Russia's foreign trade is now less than 20% (19.1% in 2008). All Asian countries, including states of the Middle East and South Asia (India and Pakistan) accounted for 23% of Russia's exports and 34% of its imports in 2008. [4]

All participants in the Krasnoyarsk discussions were unanimous that, despite the federal programmes for the development of Siberia and Russia's Far East, Russia still does not have a clear understanding of what this country wants to achieve in those regions. Russia needs a comprehensive Asian strategy that would combine the geopolitical positioning of Russia in the Asia-Pacific region and clearly defined priorities in the development of the Asian part of the Russian Federation. [5]

These proposals were heeded at the top level. Two weeks before Dmitry Medvedev made his policy statement at the Foreign Ministry, he had held a major meeting in Khabarovsk which was intended to give an impetus to the development of a comprehensive Asia-oriented strategy of Russia, to be applied both at home and in foreign policies.

> "Integration with the Asia-Pacific countries offers huge potential for helping to develop the Far East's economy and all of Russia. This does not mean that we should shift our focus to this area alone, because we are one whole country... But the Asia-Pacific region is nonetheless a very big resource and we must use this opportunity to develop our ties with this region for the good, above all, of our Far East." [6]

Proposals concerning the Pacific Strategy of Russia say that this country can formulate its geopolitical behaviour for the next few decades with the following formula, paraphrasing a well-known Chinese stratagem: "Rely on the West, stabilize the South, and go East. The West is the main source of high technologies and high-quality investments; the South is the main source of threats to the country's security; and the East stands for markets for energy, raw materials and technologies, and new areas for bilateral and international cooperation." [7]

Asia-Pacific Institutions and Russia's Position

Russian political analyst, Vyacheslav Nikonov, chairman of the Russian National Committee of the Council for Security Cooperation in the Asia Pacific (CSCAP), points out that, unlike Europe, there were no organisations in the Asia-Pacific region until recently that would unite a large part of countries in the region and that would have a clear-cut field of activity, such as the OSCE, the Council of Europe, NATO or the European Union.

> "The new mega-trend, which we have a chance to witness and which is now being discussed, signifies above all the development of integration processes in the Asia-Pacific region. A thick alphabetic soup of various organisations and formats is brewed here, in most of which Russia, unfortunately, does not participate" (Nikonov, 2010:3)

Russian Deputy Foreign Minister Alexei Borodavkin argues that "this mixed picture can hardly be described as a full-scale regional architecture. Rather, it would be more correct to speak of the presence in the region of separate actors, differing in nature, tasks and composition and being at different stages of development of multilateral institutions" (Borodaykin, 2010:5).

In line with its foreign policy, which for a long time was aimed at strengthening the country's status positions, Moscow has always sought to enter into the largest possible number of global and regional institutions, including in Asia. From a practical standpoint, the Shanghai Cooperation Organization (SCO) is the most important forum for Russia. The SCO grew out from an association of six countries (Russia, China and four Central Asian states) which pooled their efforts to solve territorial problems after the break-up of the Soviet Union. Today, the SCO is an organisation whose potential significance for stability in Central and South Asia is impossible to overestimate. Initially, many people viewed the SCO as a counterweight to U.S. influence, and partly this may be true. Suffice it to recall, for

example, a 2005 declaration of the SCO member countries, which urged Washington to set a timetable for a withdrawal of U.S. troops from Central Asia.

Later, however, the SCO distanced itself from openly anti-American moves. For example, despite the strong desire of Iran to become a full-fledged member of this organisation (Iran now has observer status), neither Moscow nor Beijing consider it expedient. From Russia's point of view, organisations like the SCO should perform the function of regional governance, which fits into the concept of a multipolar world. However, the SCO has not yet acquired a final format, as there are still noticeable differences in approaches between its two major members –Russia and China. For Beijing, the SCO is primarily a means to stimulate economic development of the region and promote the export and commodity interests of China. Moscow, as a partner that is weaker economically but that has military-political advantages, is interested in a more active SCO role in the field of security. This is especially important considering the uncertainty about the future of the NATO and U.S. operation in Afghanistan.

From the point of view of Russia's approaches, of much interest is its active support for the BRIC format. The concept of BRIC, which came into active political use several years ago, has since undergone changes. The acronym was first coined by Goldman Sachs which back in 2003 predicted that Brazil, Russia, India and China would be the world's economic leaders in the middle of the 21st century. Since then, the world economy has gone through a turbulent period which demonstrated how different the economic development models of these four states and their perspectives are, at least in the medium term.

Interestingly, BRIC took on life of its own when the countries, unexpectedly united in this context, began to establish political interaction among them. This is but another manifestation of a multipolar architecture of the contemporary world. The process

of its formation is objective, and it is not surprising that the four nations so eagerly jumped at this seemingly artificial idea.

Paradoxically, the meaning of BRIC is that the components of this acronym are in no way alike. It is like a miniature model of the world. Major cultural and religious communities are represented in it – Christianity (both main branches), Buddhism, Islam (India has the second largest Muslim population in the world) and Confucianism. It represents a palette of various types of social and political systems, ranging from various variants of democracy to a rigid centralized system. The economic orientation of the four countries is diverse – they include exporters of raw materials, goods and services, and their consumers. Finally, each of these countries has been strongly affected by some or all of the most painful challenges of our time – terrorism, separatism, religious extremism, climate change, drug trafficking, etc.

In other words, there is no other such representative forum in the world that could serve as a platform for working out truly global approaches to international problems.

What unites the four BRIC states is that each of them seeks to play the role of an independent centre in the emerging international order, in which globalisation is taking on a regional dimension. This does not mean that they can easily find a common language or will seek to institutionalise their ties. Moreover, the countries united in this informal association have real or potential lines of tension of their own – for example, between China and India, or between Russia and China. Their community of interests on global issues will not resolve regional conflicts, but in some cases, it can mitigate the negative agenda or, at least, give a more positive tone to it.

The world in which usual international structures are undergoing a deep crisis because they cannot adapt to changing circumstances, requires a creative approach to institutions and forms

of coordinating interests. BRIC is an interesting attempt to move beyond traditional barriers and look at the world's development through another prism, which corresponds more to the reality of the 21st century. But, of course, it is difficult to imagine that this dialogue format will evolve into a rigid organisation – the interests and horizons of its member countries differ too much for that.

At the same time, some Russian experts offer rather ambitious views on BRICs future: "Intensifying the agenda; working towards the institutionalisation of the BRICs and the creation of a formal mechanism for negotiations and discussions (regular meetings of the heads of state, ministers, etc.), with a view to establishing an international organisation in the future; considering a possible expansion of the BRICs by including states that usually participate in meetings on the margins of G8 summits and that represent various parts of the world (Mexico, Egypt, Indonesia, South Africa). The operation of the BRICs as an emerging international structure must be provided with scientific and expert support, and Track II interaction within the BRICs must be developed. Most appropriate in this context was an initiative to establish a Public Forum in the BRICs. This forum could find it useful to use the experience of the creation of the SCO Forum (Lukin, 2009:96).

Russia is developing various forms of interaction with the majority of Asia-Pacific organizations – the South Asian Association for Regional Cooperation (SAARC), APEC, the ASEAN Regional Forum (ARF), the Conference on Interaction and Confidence-Building Measures in Asia (CICA), and others. Moscow has markedly increased its interest in ASEAN as an organization which Russia views as the most promising in the region. Vyacheslav Nikonov noted that "one of the paradoxes of the Asia-Pacific is that second-order states, united in ASEAN, traditionally act as the core and driving force of integration processes in the region where there is a large number of great powers," (Nikonov,2010:4). Sergei Lavrov went even further:

> "Russia supports an equitable and transparent security and cooperation architecture in Asia and the Pacific which is based on teamwork, universally accepted rules and principles of international law, which employs dialogue, consultations and negotiations as an instrument for dealing with sensitive issues. Such an approach is referred to as the 'ASEAN way'. This does not imply gaining military superiority, by increasing insecurity of other nations, setting military bases and military alliances in Asia and the Pacific or creating a regional missile defence system that could disrupt the strategic balance. We should move towards a collective architecture by using multilateral diplomacy and fostering links between regional organizations and fora, and, more importantly – through mutual respect and with due account of each other's interests." [8]

Perhaps, this is why the forthcoming ADMM+8 meeting in Hanoi evokes so much interest. Some Russian experts emphasise that this is almost the only platform today where Russian and U.S. defence ministers will meet, and they will discuss nothing else than Asian security. This is important because as Alexei Borodavkin points out, "there remain long-standing geopolitical fractures in the Asia-Pacific region, dating back to the beginning of the Cold War era" (Borodavkin, 2010:7).

Russia's desire to develop ties with various institutions operating in the Pacific region reflects its general interest in the so-called network diplomacy. "With globalization increasing, there is less demand for sole leadership, and old alliance commitments are being devalued. The present time requires not cumbersome alliances with fixed commitments but flexible interest-based alliances with variable geometry. 'Network diplomacy' is now essential as never before, as it provides flexible forms of participation in multilateral structures," Sergei Lavrov said in an interview in 2006. [9]

Russian diplomats do not deny that Moscow's desire to develop relations with the largest possible number of organisations in the Asia-Pacific region is aimed, in particular, at finding various ways to balance the influence of Beijing. According to Dmitry Medvedev, "We are offering our vision of how to build a polycentric and non-bloc based security and cooperation architecture in the region." [10]

This point of view is presented in the most straightforward way in the "Programme for the Effective Use of Foreign-Policy Factors on a System Basis for the Long-Term Development of the Russian Federation", which leaked to the press in May 2010. The document says: "The most important task of our policy in this field is growing into the integration processes in the Asia-Pacific region through an accelerated development of Siberia and the Far East [...] and the development of bilateral and multilateral cooperation with countries of the region on a balanced basis, which would rule out dependence on relations with any individual partner." The same document says that "special attention should be given to monitoring the growing role of China in international affairs, including from the angle of consequences Beijing's activity may have for our global and regional interests." Russian diplomacy must be "guided by the fundamental importance of consolidating China on the position of joint actions with us – with due regard for the evolving situation – in the Group of Twenty, BRIC and the SCO, as well as at the UN Security Council (where at present the Chinese often need our support more than we need theirs)." [11]

This document is not official, but its authenticity has not been denied by the Foreign Ministry. And if so, then, perhaps, this is the first document prepared for public discussion that contains signs of Russia's concern over China's growth.

Russia and ASEM

Russia expressed its desire to join the Asia-Europe Meeting (ASEM) immediately after the forum was established in 1996 (as a representative of Europe). Later, in 2001, it applied for membership as a representative of Asia. This forum is still little known in Russia, yet an awareness of its importance is coming gradually. This is because Russia is rethinking its new role and its real opportunities in the fast-changing world.

One of the most influential analysts of international relations, Sergei Rogov, wrote about the importance of this forum for Russia back in 2000:

> "Russia could take a special place in ASEM because it is the only 'Asian' country that has a Partnership and Cooperation Agreement with the EU and because it is, at the same time, the only 'European' country that is a member of APEC and the ASEAN Regional Forum. […] Russia's non-participation in ASEM may result in its ultimate exclusion from the integration processes in Europe and the Asia-Pacific and in its ending up in a highly disadvantageous niche in the global economy [...] as a supplier of raw materials for developed nations. […] Russia's accession to ASEM [...] would help it boost the development of transport and communications and revive the Trans-Siberian Railway, the Baikal-Amur Mainline, the Northern Sea Route, and a network of airfields. The fuel and energy sector would get an additional boost as well. [...] At the same time, Russia's specialization in the world economy would cease to be the supply of raw materials only and would also include the development of advanced communication technologies" (Rogov, 2000: 52).

Rogov presented his "Eurasian Strategy of Russia" ten years ago, but the agenda that he set for Russia has not become outdated; moreover, it has become even more relevant. The

enhancement of Russia's political role in the world has made it increasingly obvious that its economic capabilities are lagging behind those of developed countries. Meanwhile, as Russian scholar Timofei Bordachev points out, "The economy, in its global dimension, is becoming more and more external and, perhaps, is beginning to play the role of an external variable, replacing the old power structure of international relations" (Bordachev, 2010: 21).

In 2010, Rogov pointed to accelerating changes in the world's economic and political development and wrote that Russia's strategy of using its role as a great Eurasian power "must prevent the fragmentation of the contemporary world by linking two of the three largest centres of the global economy. At present, Europe and East Asia maintain very close financial and economic ties with the U.S. but do not interact as closely with each other. The Eurasian Strategy will add stability to the main 'triangle' of the world system, where Russia will be an economic bridge between the East and the West" (Rogov, 2010).

The sensible part of the political elite of Russia is aware that extending the network of mutual ties with the most powerful centres of development is the only guarantee of maintaining equitable relations with neighbouring communities, which are ahead of Russia in the rates and quality of economic growth and in the number of population. In addition, in the conditions of growing competition for markets, Russia can retain its influence on the former Soviet territory only in a flexible way – that is, not through a tough assertion of its exclusive rights but through co-development and joint involvement in the most promising projects, especially as tasks facing the majority of former Soviet republics are very similar. "We shouldn't contrast our work in the CIS with processes that are taking place on the European track, American track and in the Asia-Pacific. Creating incentives for integration is based on shared modernization imperatives."[12]

For example, it follows from policy documents drawn up by the Ministry of Economic Development that the Russian government's ideas of integration are like a traditional Russian nesting doll, matryoshka, which is actually a set of dolls of decreasing sizes placed one inside the other. Following this logic, the Customs Union, now discussed by Russia, Kazakhstan and Belarus, is the core of the further process. Then, comes the Single Economic Space of the former Soviet republics. Simultaneously, negotiations should be held on a free trade zone in the CIS, together with negotiations on a common economic space with the EU. "In the long run, this will help create conditions for preparing a general agreement on the principles of free trade in the vast area from the Pacific to the Atlantic. After that, this construct could be proposed to the Asia-Pacific region, where trade policy issues are discussed very actively. All efforts to remove barriers to trade and investment across Eurasia should complement and reinforce each other" (Chernyshev, 2010:46).

Russia gives special consideration to the fact that economic development in the Asia-Pacific region is now characterised by an intensive development of various free trade zones, of which there are already 56. Due to its economic lag in many aspects, Russia is very cautious about the very idea of free trade zones, which shows not only its ambivalent attitude towards accession to the WTO but is also not in a hurry to introduce or negotiate free trade with its neighbours, for example, Ukraine. However, Moscow recognises that this process is the main trend in Asia today and that it intends to carefully study the possibility of taking part in this game. For the time being, it is considering pilot projects for establishing free trade zones with Vietnam and New Zealand.

Russia's forthcoming accession to ASEM, after years of delay, comes at a very important moment when Russia is rethinking ways with which it intends to succeed in the 21st-century world. The Euro-Asian forum involving Russia will strengthen the most promising axis of the development of the global market.

Extending the country's transit potential is one of the most obvious, although still little tapped, resources. As the world economy keeps growing and as it becomes more diverse geographically, the communications issue will play an increasingly important role.

Russia will strengthen only if its neighbours both in the West (the European Union) and the East (the Asia-Pacific community) find that cooperation with Moscow meets their interests. Russia will receive the maximum benefit from interdependence if it lands a role in the global economy that will turn it into a pillar of the global market. Russia can best realise its potential if it becomes a transportation and communication bridge between the EU and East Asia. Russia's full-scale involvement in ASEM will speed up trade and economic ties between the two regions and will make them cheaper by several times.

Russia, which occupies more than 30% of the territory of Eurasia, can play a special role in ensuring communication between Europe and Asia as a natural transport bridge. The Russian transport network, inherited from the Soviet Union, is well-developed: it includes the Trans-Siberian Railway and the Baikal-Amur Mainline (the total length of the two railways is more than 86,000 kilometres), sea ports in all river basins, and a network of air lines and airports which provide the shortest transportation routes, coinciding with the configuration of freight traffic flows. It can provide a significant increase in transit capacity (about 15% of the total freight traffic) between Europe and Asia, and in the future between Europe, Asia and America.

However, to transform this potential into reality, Russia needs a large-scale technological and managerial overhaul of the national transportation system. For example, Trans-Siberian transit will become more attractive if the railway authorities ensure safety of goods and reduce tariffs. The present high tariffs are largely due to the low capacity utilisation of the railway.

The tariffs include a return trip because transportation from the west to the east is incomparably more intensive than transportation from the east to the west. The Trans-Siberian Railway is capable of carrying up to 100 million tons of cargo per year, and this will be the shortest route. A specialised freight train runs from Nakhodka to the western border of Russia in nine days, and to Western Europe, in two weeks, whereas the transportation of cargo by sea from Asia-Pacific ports to Hamburg, Antwerp or Bremerhaven takes 35 days. The further development of rail transport and an increase of the average speed of trains to 200 kilometres per hour along the entire route will reduce the cargo delivery time from Asia to Europe to just one week.

Air transport can play a new role too. The use of Russian airspace and the Siberian airfield network may prove beneficial to all parties because in this case the use of medium-range aircraft, with refuelling on Russian territory, will be more economical. This primarily concerns flights from Europe to East Asia.

Another very important and promising task is a full-scale development of the Northern Sea Route, whose role will increase as the ice situation in the Arctic changes. The Northern Sea Route is twice shorter than the currently used route from Europe to East Asia via the Indian Ocean. For all the difficulty of maintaining it, transportation via the Arctic route is 30% cheaper than via the Indian Ocean. The melting of Arctic ice, predicted by many experts, can turn the Arctic into a more attractive route for commercial communications over the next few decades.

Russia's ability to procure foodstuffs for its own population and to have a surplus for exports is turning into a serious competitive advantage. Russia has huge resources for expanding the cultivable lands (by no less than 10 million hectares) and for a simultaneous increase of productivity of the grain crop sector (the yield of grain crops can be boosted by no less than 2.5 as a minimum). No other country in the world has a comparable potential.

If Russia attains growth in the production of grain, China may become its main purchaser over time as its own production of wheat has fallen in the past several years. Production of meat holds an even greater promise as a sector where Russia can succeed. People in China, Japan, South Korea and some other Asian countries have cut down the consumption of traditional foodstuffs like rice or noodles in recent years and have garnished their menus with foods rich in protein. From 1990 through to 2007, the per capita consumption of meat in East Asian countries went up 2.5 times. The International Food Policy Research Institute (IFPRI) forecasts an almost doubling of this consumption by 2050.

ASEM is a natural platform for discussing all this issues, which lies at the intersection of the most acute problems of modern development, ranging from global security and economic stability to new technologies and climate change. Russia's accession to ASEM will add a new dimension to this dialogue, because ASEM will then cover a vast space from the Atlantic to the Pacific Ocean.

Russia also plans to significantly broaden and deepen the discussion of security issues. Even despite its relative economic lag, Russia remains a strategic world player, and its presence in ASEM can elevate this forum to a basically new level in this field. Although the situation in Europe and Asia has changed radically over the last few decades, vestiges of the Cold War still persist in both regions. In particular, their security institutions were established for an entirely different international situation. In Europe it is NATO, and in Asia it is bilateral alliances with the United States. Russian politics now is departing from primitive anti-Americanism, which often manifested itself even after the ideological standoff was over. At the same time, many Russian experts believe that the former American-centric architecture simply does not meet the new realities.

Conclusion

Russia is an independent actor which – at least today and for the foreseeable future – does not consider entering into rigid security alliances. But this is why it is especially interested in the creation of flexible security systems that would respect the interests of various parties and use various formats. Hence the initiative to conclude a European Security Treaty, insistently advocated by Dmitry Medvedev. Russia intends to discuss security issues in the Asia Pacific region on the basis of these principles.

Russia's accession to ASEM will be an important landmark in the country's development, and it can add a new dimension to this dialogue framework. In geopolitical, economic, military and cultural terms, the world needs a fundamental change of the paradigm of thinking, which still lags behind the pace of changes on the international stage. Stereotyped views are so tenacious that they survive even when their inconsistency with the current developments is blatantly obvious. The ASEM forum, where close to 50 fast-developing and ambitious countries of various colours and hue are represented, is an ideal platform for formulating development priorities not only for the Euro-Asian continent but also for the whole world.

Notes:

1 *http://www.mid.ru/Brp_4.nsf/arh/684CF7A103E9E3C1C32577600039FFF9?OpenDocument*

2 *http://krasnoforum.ru/format/itogoviemateriali/index.php?SECTION_ID=&ELEMENT_ID=3164 [in Russian]*

3 *http://www.sia.ru/?section=484&action=show_news&id=111792 [in Russian]*

4 *The results of the survey published in brief in Russia in Global Affairs, № 3, 2010.*

5 *http://www.gzt.ru/column/fedor-lukjyanov/-povorot-na-vostok-/289640.html [in Russian]*

6 *Excerpts from Transcript of the President's Meeting on the Far East's Socioeconomic Development and Cooperation with Asia-Pacific Countries, Khabarovsk, July 2 at http://eng.kremlin.ru/transcripts/547*

7 *The Pacific Strategy of Russia worked out under the aegis of the Russian National Committee of the Council for Security Cooperation in the Asia Pacific (CSCAP) in the course of preparing the meeting chaired by the Russian president. [in Russian]*

8 *http://www.mid.ru/Brp_4.nsf/arh/4CD0BB76E48B688EC32575FD002DF56D?OpenDocument*

9 *Lavrov S. "Network Diplomacy" Now in Demand as Never Before, http://www.izvestia.ru/politic/article3099901/[in Russian]*

10 *Excerpts from Transcript of the President's Meeting on the Far East's Socioeconomic Development and Cooperation with Asia-Pacific Countries, Khabarovsk, July 2 at http://eng.kremlin.ru/transcripts/547*

11 *http://www.runewsweek.ru/country/34184/ [in Russian]*

12 *Speech of the President at meeting with Russian ambassadors and permanent representatives in international organizations. http://eng.kremlin.ru/transcripts/610*

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Speech of the President at meeting with Russian ambassadors and permanent representatives in international organizations. http://eng.kremlin.ru/transcripts/610

SUMMARY OF ROUNDTABLE DISCUSSIONS

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The ASEM Roundtable organised by the EU Centre in Singapore and Konrad-Adenauer-Stiftung on 6th August 2010 sought to address the central question - if and how the dynamics of the Asia-Europe Meeting (ASEM) process would change with the enlargement to include Russia, an emerging economy and a former superpower, imbued with its own sense of history and place in the world, along with Australia, an activist middle-power perceived particularly by the Asians to have strong ties with the United States. The discussions also looked into the foreign policy objectives of these two countries and tried to understand how the participation in ASEM would fit into their overall foreign policy framework.

Participants in the Roundtable also reviewed the original aims and objectives of ASEM and how these have changed and evolved over the years. With the enlargement of ASEM from 26 members in 1996 to 48 members, almost double in number in a short span of 14 years, questions and concerns over the trade-off between broadening and deepening are inevitable. What would be the limits of the enlargement and how could one manage and coordinate the ASEM comprising such a diverse group of members which do not fall neatly into two regional entities? Would ASEM and its summit meetings continue to have any value in the face of an increasing plethora of summits, forums, regional architectures, and functional groupings? These were some of the issues being discussed at the Roundtable.

What follows here is an attempt to summarise a broad spectrum of views and reflect the key points that surfaced during the Roundtable.

Aims and objectives of ASEM

The original aims and objectives of ASEM when it was first conceived were very modest – to provide a platform for Asian and European leaders to meet to dialogue and get to know each other. The rationale for the need of such a meeting between Asian and European leaders was however imbued with strategic undertones and strong political symbolism. The rise of Asia as an equal partner to Europe, the need to engage a China that is fast opening up its economy, and bring China into as many multilateral frameworks as possible, the need to strengthen the global economic order by ensuring that there are linkages among the three engines of economic growth – North America, East Asia and Europe, and specifically for Asia, to guard against a fortress Europe, and for Europe, it was to gain a strong economic foothold in Asia.

ASEM's Development and Achievements

ASEM has grown beyond the initial economic interest and focus on trade facilitation and investment promotion. The ASEM dialogue process has broadened to include a wide array of issues, from anti-terrorism, anti-piracy in sea lanes of communication, to energy and climate change, interfaith dialogue, and exchange between employment and education ministers. The dialogue has also broadened beyond officials, ministers and political leaders, to business leaders through the Asia-Europe Business Forum, and NGOs and civil society activists through the Asia-Europe People's Forum. The establishment of the Asia-Europe Foundation (ASEF) in 1997 has also helped to promote cultural, intellectual and people-to-people exchange. Researchers, academics and educators also benefitted from the Trans-Eurasia Information Network (TEIN) set up by ASEM members.

Yet, despite such "progress" in ASEM's developments, there are valid criticisms with regards to the value-add that ASEM can bring to regional and global governance. ASEM has remained

very much an informal talk shop. There are about 50 different meetings every year, but many of these do not translate into actual cooperation to address the various global problems and challenges.

Debates over Enlargement

While it seems easy to fully appreciate the first round of ASEM enlargement that was due in large part to the enlargement of the European Union from 15 to 25 and of ASEAN from 7 to 10, the later round of enlargements would seem to be more of a challenge to rationalise (beyond the need for numerical parity). While Australia and New Zealand because of their strong economic linkages with Asia and their strong participation in various Asia-Pacific regional architectures would make it natural for them to participate in the ASEM process on the Asian side, Russian application was a little more problematic. This is probably why a temporary third category was created to accommodate all the three new applicants. While Russia would have liked to participate on the European side, it is also not too overly concerned to get into the ASEM process through the "Asian door".

The EU's strict position that only EU member states could join ASEM on the European side is contentious and the EU may have to relook into this in the future should countries such as Norway or Switzerland apply to join ASEM.

Challenges – Coordination and Visibility

Enlargement to such a diverse group on the Asian side will bring about challenges to the coordination process within Asia. There is also concern that as a result of the enlargement, ASEM has lost clarity as an inter-regional dialogue.

Another perennial challenge to ASEM is its low visibility. Many people have never heard of ASEM and even politicians and

parliamentarians on both sides seem not to be aware of the significance of ASEM for the improvement of inter-regional relations. There is broad consensus that ASEM has very little coverage or visibility in the media either in Europe or Asia. How to raise visibility and awareness of the ASEM process is a challenge for the people responsible for coordinating the process, and there is need for more information on ASEM to be made available in an interesting manner for people to take notice.

Expectations – what should and could ASEM deliver?

There are divergent views on what can be expected of the ASEM process in terms of delivery. Some observers argue that since ASEM was not set up to deliver on any concrete results but a dialogue platform that would lead to cooperation in other bilateral or multilateral frameworks, the fact that ASEM has been flexible and open enough to absorb a heterogenous group and continue the dialogue process is in itself an achievement. ASEM should be an "embodiment of the spirit of dialogue".

Others however feel that ASEM should at least act as a useful level for global governance, acting as agenda-setter or rationaliser. Asia and Europe should use the ASEM dialogue platform to achieve common positions on certain issues and then act in concert at global forums in order to help find solutions to common problems, and strengthen global governance.

The Way Forward

In looking ahead, it seems appropiate that ASEM should focus on the four "I"s: institutions, issues, identities and ideas.

First, it has to rethink how to advance institutionally in the face of enlargement. This need not be creation of another physical or concrete institution, but simply finding more effective ways of coordinating meetings and streamlining initiatives, and also

focusing on how to use the existing institution, the Asia-Europe Foundation (ASEF) to support ASEM.

Second, reviving and revitalising the issue-based leadership approach to organise the initiatives and translate these into concrete long-term cooperation projects.

Third, ASEM could promote the development of multiple intra-regional Identities among Asian countries. If Asia could get more dynamic and become more organised because of this, it would be a significant achievement of ASEM.

Last but not least, ASEM could become an ideas' factory, an important forum for harnessing the diversity to generate new ideas, new thinking to help us address many of the new and complex challenges facing humanity.

ANNEX 1

FACT SHEET ON ASEM

Asia-Europe Meeting (ASEM) is a forum for dialogue between Europe and Asia. Since its establishment in 1996 ASEM has been the main multilateral channel for communication between Asia and Europe, strengthening interaction and mutual understanding.

ASEM involves virtually the whole of Asia and Europe. The most recent 7th ASEM Summit in Beijing, October 2008 admitted six new members bringing the membership up to 45 partners, together representing half of the world's GDP, almost 60% of the world's population and over 60% of global trade. At the 8th ASEM Summit, taking place in Brussels on 4-5 October 2010, three more members will formally join the process – Australia, New Zealand and Russia.

ASEM's overall direction is set by ASEM government leaders meeting at Summits held every two years - alternating between European and Asian locations. Between Summits many inter-governmental ASEM meetings maintain the momentum of Asia Europe-dialogue on all political, economic, social and cultural issues of mutual interest to the partners.

The current ASEM partners are: Austria, Belgium, Brunei Darussalam, Bulgaria, Cambodia, China, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, India, Indonesia, Ireland, Italy, Japan, Laos, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mongolia, Myanmar, Pakistan, Poland, Portugal, Republic of Korea, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Thailand, The Netherlands, The Philippines, United Kingdom, Vietnam, the ASEAN Secretariat and the European Commission.

ASEM brings together other non-governmental stakeholders, such as lawmakers, businesses and civil society. Civil society groups, parliamentarians and the business community meet at the Asia Europe People's Forum, Asia-Europe Parliamentary Partnership and Asia-Europe Business Forum held every two years alongside ASEM Summits. It also links the peoples of Europe and Asia through the Singapore based Asia-Europe Foundation (ASEF), funded by ASEM partners. ASEF promotes understanding and collaboration between the peoples of Asia and Europe through cultural, intellectual and people-to-people exchanges.

More information on ASEM is available on the internet:

http://ec.europa.eu/external_relations/asem/index_en.htm
http://www.asem8.be/
www.asef.org
www.aseminfoboard.org/